THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Exterritoriality—An American View

By Edward S. Corwin

True Volume of China's Mineral Wealth

By Boris P. Torgasheff

Some Recent Manifestations of Kuomintang Policy

By J. B. P.

The Bureau of Trade-Marks at Nanking

By Edward Y. K. Kwong

General Yen Hsi-shan at Nanking

By Li Tz-hyung

The Nanking Student Demonstrations

Sino-Japanese Troubles Far From Settled

評論報

SATURDAY, DECEMBER 22, 1928

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47-173

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98 percent of Shanghai Residents Buy at the Department Stores

In the year 1900 the first department store was started. During a period of 28 years department store business has been developed to such an extent that there is practically no single man or woman who has not purchased something from the department store. Such radip development and prosperity of the business is due to the wise policy of selling only quality goods.

The Three Big Department Stores on Nanking Road buy directly from factories in all important cities in the world in large quantity and on cash terms. That they earn cash and trade discounts and pay no commission to middlemen makes the price of goods sold at the department stores always lower than in the market.

The courteous and prompt service as well as the helpful suggestions given make shopping at the department stores a real pleasure.

GET THE HABIT

Shop always at

WING ON (Incorporated in Hongkong)

SUN SUN (Incorporated in China)

SINCERE (Incorporated in Hongkong)

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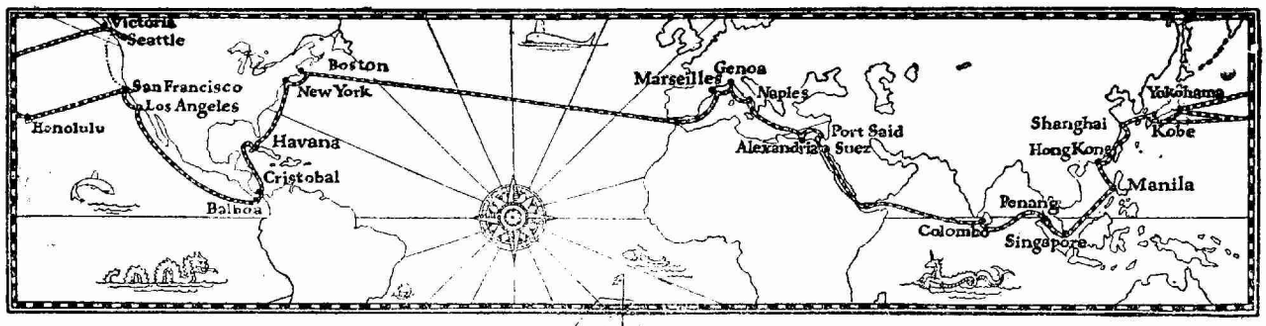

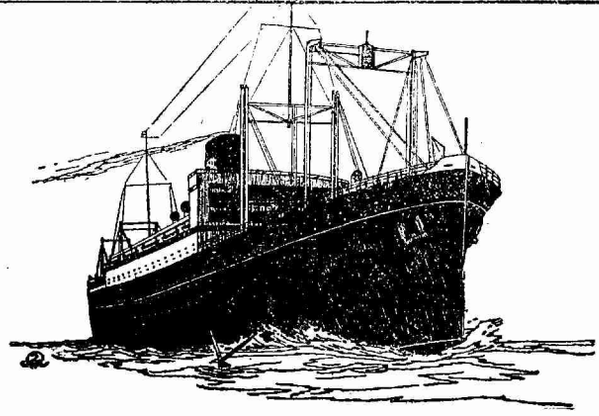

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The staterooms on "PRESIDENT LINERS" are all outside, large and beautifully furnished. Beds ensure maximum travel comfort. Hot and cold running water, wardrobes, mirrors, reading lamps, thermos bottles, fans. Many rooms have private tub and fresh water baths. You will enjoy traveling to America, Interport or Round the World to Europe on these great modern, fast Liners.

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ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
FOLLOWING WEEK TO VICTORIA B.C. AND SEATTLE VIA THE SHORT ROUTE
FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO, EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

Dollar Steamship Line
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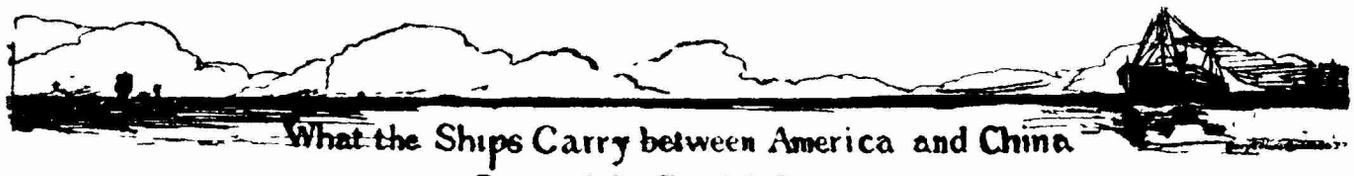
The Robert Dollar Co., General Agents.
BRANCH OFFICES IN ALL PRINCIPAL CITIES AND ROUND THE WORLD

47-176



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mills—thousands; Hk. Tls.—Haikwan Tls; Dec. Customs Rate Tls. 1.41 equal Gold $1

CHINESE PRINCE, Nov. 2.
From U. S. A.

Cotton Flannel, Yarn-dyed	Pcs.	48
Cotton Shirtings:		
White, Figured	,,	200
Machines, Knitting	,,	9
Motor-trucks	,,	18
Woollen Yarn	Pls.	4
Aluminium-foil	,,	83
Aluminium Tubings	,,	9
Lead-foil and Tinfoil Mixture	,,	529
Iron Galvanized:		
Pipe Fittings	Pls.	23
Steel, Galvanized:		
Bolts and Nuts	,,	6
Sheets, Plain	,,	320
Wire Shorts	,,	676
Tinned Plates, Plain	,,	1,680
,, ,, Scraps	,,	371
Cuttle-fish, Dried	,,	200
Paper, Coated	,,	1,140
Petrolatum	,,	75
Soda, Caustic	,,	1,680
Starch	,,	1,470
Tanning Materials, Unclassed	,,	75
Tobacco, Leaf	,,	17,105
Shirts	Doz.	28
Socks	,,	52
Shoes	Pairs	914
Oil Transformer	Galls.	2,700
Paints:		
Enamels	,,	130
Unclassed	,,	530
Motor-cars, Parts of	Hk.Tls.	172
Machinery	,,	14,483
Treasure:		
Silver Bars	,,	933,660

BORDEAUX MARU, Nov. 3.
To U. S. A.

Silk, Raw, Steam Filature:		
White, Shanghai	Bls.	
30	Pls.	30.02
Brassware	,,	9
Cotton, Waste	,,	3,201
Woodware	,,	5

PARIS MARU, Nov. 3.
To U. S. A.

Tea, Green:		
Gunpowder, Ningpo	Pls.	431
Tea, Scented, Foochow	,,	19

CHINESE PRINCE, Nov. 3.
To U. S. A.

Feathers, Duck	Pls.	217
Wool, Sheep's	,,	353
Foreign Goods.		
Tinned Plates, Plain	Pls.	110

SNESTAD, Nov. 5.
From U. S. A.

Cotton Raw	Bls.	1,550	Pls. 5,425

TOBA MARU, Nov. 5.
To U. S. A.

Silk, Waste, Refuse:			
Shanghai	Bls.	30	Pls. 97.82
Tea, Green:			
Hyson, Kiukiang	,,		63
,, Hangchow	,,		87
Gunpowder, Ningpo	,,		1,637
,, Hangchow	,,		32
Young Hyson ,,	,,		14
,, ,, Kiukiang	,,		73
,, ,, Wenchow	,,		31
Imperial, Hangchow	,,		18
Tea, Black:			
Congou, Kiukiang	,,		22
,, Hankow	,,		251
Other kinds, Kiukiang	,,		254
Unfired Hankow	,,		431
Hardwood Yak	,,		2
Seed, Sesamun	,,		420
Wool, Sheep's	,,		327

PRESIDENT JEFFERSON, Nov. 7.
From U. S. A.

Copper Ingots	Pls.	375
Iron Pipe Fittings	,,	4
Apples, Fresh	,,	846
Barley, Pearl	,,	5
Cheese	,,	33
Flour, Wheat	,,	368
,, Grabam	,,	37
Hams and Bacon	,,	72
Herrings, Salt	,,	139
Ink, Printing	,,	401
Leather, Calf	,,	2
Milk, Condensed	,,	665
Paper, Printing	,,	571
Potatoes, Fresh	,,	300
Oats, Rolled	,,	20
Shrimps, Dried	,,	168
Machines, Calculating	Pcs.	13
Motor-cars	,,	6
Motor-trucks	,,	2
Typewriters	,,	3
Canned Salmon	Doz.	200
Shoes, Leather	Pairs	66
Cigarettes	Mille	75,000
Motor-cars, Parts of	Hk.Tls.	183

PRESIDENT TAFT, Nov. 8.
To Honolulu.

Books, Printed	Pls.	4
Chinaware, Fine	,,	5
To U. S. A.		
Tea, Green:		
Other kinds, Shanghai	,,	4
Gunpowder, Ningpo	,,	226
Bristles Assorted	,,	110

EMPRESS OF ASIA, Nov. 9.
To U. S. A.

Silk, Raw, Steam Filature:			
White, Shanghai	Bls.		
275	Pls.		135.17
White, Soochow	Bls.	15	,, 15.02
Yellow, Hankow	,,	10	,, 10.10
Silk, Raw, Re-reeled:			
White, Soochow	Bls.	40	,, 40.76
Silk, Raw, Filature:			
Wild, Antung and Chefoo etc.	Bls.	13	Pls. 133.67
Silk, Waste, Refuse:			
Antung, etc.	Bls.	40	,, 97.50
Shanghai	Bls.	1	,, 1.05
Bristles			,, 33
Egg Albumen, Dried			,, 378
Wool, Sheep's			,, 626
Walnuts, Kernels			,, 165

LISBON MARU, Nov. 10.
To U. S. A.

Silk Piece Goods	Pls.	4.53
Tea, Green:		
Gunpowder, Ningpo	,,	288
Antimony Regulus	,,	420
Antimony Oxide	,,	840
Bristles, Assorted	,,	7
Cotton Raw:		
Hankow	Bls. 93	,, 347
Hair, Human	,,	201
Wool, Sheep's	,,	403
Seed, Sesamum	,,	840

Latest New York Stock Exchange Quotations

Swan, Culbertson & Co. Tel. 18891-18990 Dec. 19
Market Steady Business done, 2,147,300 Shares.

STOCK	Monday Dec. 17	Tuesday Dec. 18
Allied Chemical & Dye (Common)	226	232
American Can (Common)	97	101
American Smelting	257	261
American Telephone & Tel. (Common)	191	191
American Tobacco "B"	173¼	174¼
Armour & Co. "A"	15⅜	15¼
Armour & Co. (Ill.) 7% Pfd.	82	None
Anaconda Copper	104⅛	107½
Bancitaly Corp.	None	127¾
Bank of Montreal	395	398
Barnsdall Corp. "A"	39⅜	40
Bethlehem Steel (Common)	79⅜	80⅞
Bethlehem Steel, 7% Pfd.	122⅛	122½
Brooklyn-Manhattan Transit	70	72
Calumet & Hecla	40	40½
Campe Corp.	100	100
Canadian Pacific Railway	226⅞	228⅞
Cavanaugh Dobbs	33¾	None
Chile Copper	62⅛	63⅞
Chrysler	117½	120¼
Consolidated Gas of New York	100	104
Coty Incorporated	68¾	70¾
Davison Chemical	54⅜	55½
Du Pont de Nemours E. I. (Common)	461⅜	469
Eastman Kodak	180½	178¼
Fox Film "A"	93	92¼
General Cigar	64¾	65⅛
General Electric Co.	180¾	183¼
General Motors	183½	185⅛
General Railway Signal (Com.)	93	85
Gold Dust	126¼	131⅜
Granby Consolidated	84½	85
Haygart	43½	44
Hudson Motor Car	84½	84⅞
International Cement (Common)	61¾	82¼
International Match, Pfd.	91	90
International Nickel (Common)	249	256¾
International Printers Ink	52	52
International Products Corp. (Common)	12¼	11¼
International Products Corp., Pfd.	85	None
Kelvinator	15¾	15⅞
Kennecott Copper	133	135¼
Lake Superior Corp.	13¼	None
Liggett & Myers, Class "B"	69⅛	89⅞
Lorillard Company (Common)	29¾	27½
Mack Trucks	100	101
Madison Square Garden	19	21
Maytag Co.	23½	24¼
Missouri Pacific (Com.)	62	62
National Dairy Products	116	122⅛
Pacific Gas & Electric Co.	53	53¼
Packard Motor Car Co. (Common)	143⅛	147
Pennsylvania Railroad	71	71¾
Phillips Petroleum	Mult.	44¼
Radio Corporation	334	341½
Reynolds Tobacco, "B"	155½	153
Standard Gas & Electric (Common)	74¾	75½
Standard Oil of California	69⅝	71½
Standard Oil of Indiana	85⅛	85¾
Standard Oil of New Jersey	52½	52½
Standard Oil of New York	37¾	38
Texas Corporation (Common)	64	63⅞
Texas Gulf Sulphur	72	73
Timken Roller Bearing	138	140
Union Carbide	180¾	182⅞
Union Pacific Railroad (Common)	206	206¼
U. S. Inter. Security Pfd.	100	160
United States Leather	59½	59
United States Realty & Imp Co.	78	78
United States Rubber (Common)	41	41¾
United States Steel	152	152¾
Vanadium Corp.	89	91¼
Westinghouse Elec. (Com)	121⅞	125¾
Willys Overland Co.	29	28¼
Wright Aeronautical	233¾	246½

Perfect When Sun-Maid Raisins Are Used

RAISIN PIE

1 pound seedless raisins
1½ cups sugar
¼ inch cube of ginger
1 pint water
Juice of 1 lemon
Grated rind of half lemon
Pie Crust
Tapioca for thickening, if desired

Let the raisins stand in the water for half an hour, then simmer with the lemonrind and ginger, sugar and a few grains af salt, until they are perfectly tender and the resulting syrup is rich, then add the lemon juice and a tablespoon of tapioca, and allow to cook until the tapioca is tender and clear. In the meantime, line a pie plate with pie crust, cool the sauce, dust the lower crust lightly with flour, pour in the raisin mixture, cover with a whole crust or with criss-cross strips, and bake from 25 to 30 minutes in a moderate over.

Raisin Tarts are made in the same way, only the mixture is poured into small pastry shells and covered with criss-cross strips of pastry or the top may be left open.

Sun-Maid Raisin Growers' Association

3 Canton Road, - - - - Shanghai.

47-178

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

MUSIC HATH CHARMS

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SMOKE CAPSTAN

MADE IN ENGLAND

HIGH GRADE VIRGINIA CIGARETTES

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認為登之報紙

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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CHINA'S GREAT NEED FOR FOREIGN CAPITAL!

MR. CHU CHAO-HSIN, Vice-Minister of Foreign Affairs of the National Government, in an address before the Canton Branch Political Council on December 7, emphasized China's need for foreign capital for development purposes and pointed to the experiences of both Japan and the United States in this respect. He said, "Fifty years ago Japan borrowed large sums of foreign money to develop her industries and the same policy was followed in the United States more than sixty years ago when loans were obtained from Europe for commercial development. Both countries were benefitted by these foreign investments and since China is now a poor country she should follow in the footsteps of Japan and the United States." Mr. Chu then referred to China's past experiences with foreign capital and said that the chief trouble which China has experienced had been due to the use of much of the money for military or non-productive purposes. "If such money had been used for constructive work, there would now be no objections, because the investments would be yielding a definite return," he stated and in concluding his address on the subject he urged that future foreign loans be utilized for the purpose of converting China into a flourishing country and recommended that any loans contracted must be subject to Chinese laws and regulations in order to prevent misappropriation of the funds and also to prevent foreign interests from using loans as a means of obtaining "ulterior" interests which might become detrimental to the national welfare of the Chinese people. These remarks by Mr. Chu Chao-hsin are interesting in the light of recent reports which have appeared in the Chinese newspapers pertaining to the "recognition" of the so-called Nishihara loans which were advanced to China by a group of Japanese banks acting under official sanction during 1917, 1918 and 1919. Owing to reports which had appeared in the Chinese press on this subject, Mr. T. V. Soong, Minister of Finance, on December 14 issued a denial through the official *Kuo Min* news agency to the effect that the Nishihara loans had not been recognized and that no arrangements had been made for their repayment. Mr. Soong said, "The Nishihara loans were never mentioned (in his conversations with S. Yada, Japanese Consul-General at Shanghai.) It is obvious that matters of such importance should come before the Government Council and it is certainly not within the prerogative of any individual Minister to make any decision thereon. I am consequently at a loss to understand why these rumors should have been circulated."

THIS STATEMENT by Mr. Soong should serve to allay the anxiety which has existed for some time in both Chinese and foreign circles on this question of the Nishihara loans, the anxiety on both sides being largely based on the fact that China's recogniton of these loans, estimated anywhere from $250,000,000 to $450,000,000, would have the effect of placing Japan in control of China's finances for a long period of years. At the financial and economic conferences held in Shanghai and Nanking last summer, it was reported that Mr. Soong had appointed a commission composed of Chinese bankers and officials of the Ministry of Finance for the purpose of making a study of China's defaulted debts with the object of recommending some practical plan for repayment. Both of the conferences passed resolutions favoring the repayment of "just" debts, the word *just* being used supposedly for excluding such obligations as the Nishihara loans. In view of the fact that Japan has never issued any official statement regarding the Nishihara loans, it is impossible to consider them from the standpoint of *justice* or *injustice* but the impression generally prevails that the Japanese Government should wipe these loans off the slate in view of the obvious impossibility of ever being able to get any responsible Chinese Government to recognize them. The loans were all made secretly to the notorious Anfu clique of Chinese politicians who were in control of Peiping and who were kept in control largely through financial support which they received from the Japanese as a phase of Japanese policy exemplified in the Twenty-One Demands of 1915. Although the Nishihara loans were advanced by a group of private Japanese banks, the Japanese Government's connection with the matter was shown later on when the Japanese Diet finally voted to take over the loans in order to prevent the banks from going broke. It has also been disclosed recently that at least one of the Japanese banks involved in the Nishihara loans, actually obtained the money from the National City Bank of New York, a not altogether creditable phase of Japanese-American financial cooperation, and one which has not tended to enhance the prestige of the American bank with the intelligent classes of the Chinese people.

THE REPORTS which appeared in the Chinese and Japanese newspapers alleging that the National Government had agreed to recognize the Nishihara loans, also had a disturbing effect in American and British commercial and financial circles because of the allegation that China, in exchange for Japan's consent to China's tariff autonomy program, had agreed to devote a considerable portion of the increased tariff revenues to the repayment of the Japanese loans. The total of British unsecured or inadequately secured loans in China is not known, but China's obligations to American banks and commercial firms are said to approximate G.$35,000,000, of which amount about G.$12,000 000 represents actual loans to the Peiping Government and the remainder represents unpaid bills for materials sold to various branches of the Chinese Government, chiefly the Ministry of Communications. China expects to obtain approximately $30,000,000 (silver) in increased revenues from the new tariff schedules which have been announced to go into effect on February 1, 1929. In view of the inadequacy of this sum to meet all of the defaulted debts of the old Peiping Government, it is natural that apprehension should have developed as a result of the Japanese propaganda that China had agreed to "recognize" the Nishihara loans.

THE QUESTION of what to do about the foreign loans naturally constitutes one of the most important problems affecting national reconstruction. As Mr. Chu Chao-hsin stated in his address referred to in the opening paragraph of this discussion, China greatly needs foreign capital for reconstruction purposes. But how to get it is the important question because at the present time China's national credit is at such a low mark that it would be practically impossible for the Government to borrow money abroad. A necessary prerequisite is the refunding of the old loans and a definite show-down on the question of the Nishihara loans and other obligations of a similar doubtful character. But before China can do anything about the refunding of the old obligations or the incurring of new loans, the question of domestic finance must be settled. In other words the Government must adopt a budget that will strictly delimit the expenditures for the various departments, including the military. This is the most important question which will come before the forthcoming military conference, and according to report, Mr. T. V. Soong Finance Minister, will shortly propose a definite military budget for a Chinese army consisting of approximately 30 divisions of 10,000 troops each. Since no official report has been issued on the subject, it is impossible to say what amount will be set aside for military purposes but according to estimates which have appeared in the Chinese press, it is proposed that the military budget be fixed at $10,000,000 (silver) monthly. If this question can be settled and the Chinese military leaders assured of an income from the National Treasury sufficient for the support of the National Army the Government Finance Ministry will then know where it stands from the standpoint of domestic finance and can then arrange a modernized fiscal system. If Mr. Soong is successful in his present plans, this will do more to create confidence both at home and abroad than anything else. This will enable China to enter the world's financial markets and obtain loans on a commercial basis as other countries are doing.

SINO-JAPANESE TROUBLES FAR FROM SETTLED

WHILE representatives of the Chinese and Japanese governments have been holding "consersations" almost continuously since October 19, over a period of practically two months, in an effort to reach an understanding, it appears that little of constructive value has been accomplished. If the reports appearing in the Chinese press are any barometer of Chinese public opinion, it would seem that the situation has actually become worse since the Chinese newspapers in Shanghai on Monday of this week reported that the so-called Anti-Japanese Association in Nanking had posted a notification warning all merchants in the city against handling Japanese goods of any character after Jan. 1, 1929 and in addition to this the Anti-Japanese Association in Peiping had called a mass-meeting participated in by several thousand people which passed a number of radical resolutions some of which demanded the resignation of prominent members of the National Government on the grounds that they were following a conciliatory policy toward Japan. The student rioting which took place in Nanking last week was of course intimately connected with the Japanese treaty situation plus the presence in the National Capital of Mr. Takejiro

Tokonami, a prominent Japanese politician who has been holding conversations with officials of the National Government for the purpose of trying to reach an understanding on outstanding diplomatic questions. Since the question of China's relations with Japan has been discussed in detail in the issues of *The Review* since the beginning of the conversations between Dr. C. T. Wang and Mr. S. Yada on October 19, it is unnecessary to refer again to the various problems which are disrupting the relations of the two countries. They are altogether too well known to need further elaboration, but there is one element in the situation which is of primary interest which has not received much attention in the press: that is the degree to which these questions enter into the domestic politics of the two countries.

FROM the standpoint of Japan, General-Baron Tanaka was appointed Premier and concurrently Foreign Minister on the proposition that he would adopt a "strong" policy toward China. The political supporters of Tanaka, which includes the military and imperialistic elements in Japanese official life were opposed to the conciliatory or "friendship" policy of the previous Japanese administration; hence they were quick to use the Nanking incident of last year as a means of forcing their political rivals out of office. But now Tanaka has been in office for more than a year and a half and has nothing to show for his "strong" policy except a constantly increasing antagonism on the part of the Chinese people for all things Japanese. Japan's trade position which had developed so favorably following the Washington Conference, has been on the downward trend since Tanaka came into office to such an extent that it has been necessary for the Japanese Government to extend financial assistance to thousands of Japanese merchants in China in order to keep them from going bankrupt. And to make matters still worse Japan's prestige as a leader of Oriental peoples has been so seriously undermined as to make her an object of suspicion throughout the Oriental world. The Tanaka Party is now facing another session of the Japanese Diet where it will be forced to give an account of itself from the standpoint of China policy. The result has been that General-Baron Tanaka has been searching about to discover a way out of the impasse in order to weather the storm which is certain to develop when the Diet meets. The question of China policy has therefore become a major political issue in Japan's domestic political situation which explains the constant procession of Japanese politicians who have been coming to China for the purpose of making an "investigation," everybody being anxious to discover something which might be of value as a political weapon in home politics.

SOMEWHAT the same elements prevail on the Chinese side, the present National Government being constantly embarrassed by political elements both within and without the Kuomintang who are making use of the Japanese question as a weapon for attacking the present Nanking administration. General Hwang Fu, who was appointed Foreign Minister of the National Government on the grounds that he would be able to "handle" the Japanese was quickly forced out of office because of his complications over the Tsinan incident last spring. Now Dr. C. T. Wang, the present Foreign Minister, and Mr. T. V. Soong, the Minister of Finance, are being attacked because they have held "conversations" with representatives of the Japanese Government in an effor to reach an understanding. Neutral observers who are familiar with what has been going on recently are generally of the opinion that both Dr. Wang and Mr. Soong on the Chinese side and Mr. Yada on the Japanese side have been acting in entire good faith in trying to reach a basis of understanding which would be satisfactory to the peoples of both countries, but all are being embarrassed by bad politics both in China and Japan. One therefore wonders how the two countries will ever be able to settle their differences in the light of the present unsettled political situation in both China and Japan. In Japan the tendency seems to be to make a "strong" policy still stronger, while in China the attacks of the radicals and ultra-conservatives has had the effect of making the Government more and more uncompromising. Both sides are therefore faced with tremendous difficulties. A Japanese policy of imperialistic aggression and expansion at the expense of her continental neighbor has got to be changed, but the change will be painful because thousands of Japanese subjects have been encouraged to develop commercial and financial interests in China under the protection of an aggressive and expansionist policy. Obviously it will be difficult for them to make readjustments to meet the new situation which has come about through the development of Chinese nationalism. On the Chinese side the situation is equally difficult, because the present National Government is embarrassed by the mistakes and misdeeds of previous Chinese administrations who granted for one reason or another various "concessions" to the Japanese. Faced by an extreme nationalism on all sides it is almost impossible for the present Chinese officials to come to any kind of an understanding with the Japanese that would be considered satisfactory on the part of the extreme-nationalists who have been brought into power by the revolution. Japanese interests which have been built up under weak and corrupt past Chinese administrations, obviously cannot continue in their present form within the territories of a Nationalist China! But how to liquidate them? In view of the generally unsettled world situation China and Japan should quickly settle their troubles and work out some satisfactory form of cooperation because each needs the other, but how to accomplish this in the light of the political situation prevailing in both countries is the problem!

BOOSTING CHINESE GOODS THROUGH EXPOSITIONS

THE FACT that about a dozen different provinces and cities are clamoring to hold "native products" expositions similar to the one now being held in Shanghai under the auspices of the Ministry of Industry, Commerce and Labor, constitutes visible proof that China's industrial and commercial revolution is proceeding apace. It is reported that the average daily attendance at the Shanghai Exposition has exceeded 20,000 and the results have been phenomenal. One Chinese manufacturer of cotton cloth was very reluctant to take part in the show, but finally consented to occupy a small space in the building. The Chinese women flocked in and were so delighted with the products exhibited that the manufacturer has contracted for the sale of his entire output for a year ahead. It seems that the Chinese women had thought previously that this particular make of cotton cloth was "Japanese goods" and had refused to purchase. Now

they are boosters for this Chinese manufacturer and he is benefitting accordingly. Then there was another interesting incident in connection with an exhibition of Chinese-made embroidery, all of which is the handiwork of Chinese girls and women. A Chinese girl only sixteen years of age had invented a new method of embroidery, but her work had attracted no attention until some samples were exhibited. The demand was immediate and now the girl has applied to the Ministry for a patent on the process. According to Dr. H. H. Kung, Minister of Industry, Commerce and Labor, whose idea it was to hold the exposition in Shanghai, there have been demands from all parts of the country for similar exhibits. It has even created rivalry in Shanghai, the Chapei section of the Chinese city demanding that the exhibition be held there as well as in Nantao where it is now being held. Hangchow the capital of the neighboring province of Chekiang has arranged for a similar exhibition early next spring and Hankow has also sent representatives here on a similar mission. Kwangsi province in South China has announced an exposition on a grand international scale to open in the autumn of 1929 and the National Government recently approved a proposal for a national exposition to be held in both Nanking and Peiping in 1930 and 1931, the one in Peiping to be held in the old palace buildings in the Forbidden City. According to present plans the Government will invite exhibitors from other countries and will attempt to make a show out of it somewhat on a par with expositions which have been held in other lands. While most of the expositions now being held are for "native goods" exclusively, the one scheduled for Kwangsi province next year is open to foreign manufacturers as will also be the one in Peiping in 1930-31. It would seem that American and other foreign manufactures should take advantage of the opportunities offered for displaying their products, for while the chief drive now is to promote Chinese goods, there is no question but what the expositions will also result in creating demands for foreign manufactured products which Chinese manufacturers are not yet able to produce.

RAISINS UNDER NEW TARIFF PAY MORE THAN WHISKY !

WHEREVER business men, both foreign or Chinese, gather in Shanghai, or elsewhere in China, at present, the principal topic discussed is the new Customs tariff which the Nationalist government has announced that it proposes to put into effect on February 1 next, the interest taken in the new tariff being in proportion as the new tariff affects the particular branches of business in which any merchant or set of merchants may be interested. Flour importers, for example, have no criticism to make of the new tariff, as flour under the new schedule, as it was under the old one, comes in free of duty—a very wise provision indeed. No one likes to pay taxes or duties, and everybody will try to "get by" with as small a rate as possible. More skill has been shown by the compilers of the proposed new tariff than was used by those who drew up the schedule that was proposed a little over a year ago, but when one comes to view it from a really expert point of view—for instance, when compared with the American schedules—many obvious defects are apparent. What the compilers evidently did was to take the old worn-out schedules of half a century ago as a general basis and then proceed to increase them by from fifty to a hundred per cent or more, having some regard to the general idea of protecting native industries and to make luxuries (or at least what might appear to be luxuries) pay a somewhat higher rate. But this method has in certain instances worked undoubted injustices.

Various governments adopt various forms of collecting duties according to the object in view. The two main principles followed throughout the world, are to charge either a percentage on the value, or advalorem as it is usually called, or to charge so much per unit, of article or unit of measure, regardless of value. The American government, for example, frequently uses both methods in connection with the same article, as for instance with woolen cloth, which pays so much per square yard plus a percentage on the value. Many European governments, whose main object is simply to raise a certain amount of revenue, generally levy their duties at so much per 100 kilos, the net result of which is to give preference to the better qualities of imports as the duties collected on those of low or of high qualities are the same.

When the Chinese took part in the tariff negotiations of half a century or so ago they had still another idea in view. They insisted that on many articles the duty should be made specific instead of the five per cent advalorem as the foreign negotiators had proposed. The Chinese feared that the foreign importers might put false values on the invoices and thus the Chinese government would be deprived of revenue.

The method thus adopted undoubtedly served the purpose of preventing frauds, yet the very insistence of the Chinese on this precaution in the end proved a detriment, as the majority of articles increased in value and thus the duty on many articles, worked out on an advalorem basis, dropped as low as three and a half per cent. It was this fact that prompted the Chinese in recent years to insist on tariff revision. In a very few instance it may be noted that the idea worked out in the opposite direction. For example, the duty on bicycles was put at Tls. 3, that being the equivalent of a five per cent advalorem on the price of bicycles in the old days. But in the meantime the price of bicycles had gone down very much and as a result bicycles in later years were paying on a basis of ten per cent.

Where the compilers of the new tariff, in our opinion, have made a mistake is in not breaking away from the old schedule sufficiently in adopting their point of view. The result has been an undoubted unfairness to many a line of trade, a conspicuous example of which has been called to *The Review's* attention by the large cooperative organization of American raisin growers in California who have worked up a demand for a comparatively unknown article by expert salesmanship and copious and effective advertising. It markets its products under a Chinese term meaning the "Beautiful lady chop" and her picture is known all over China.

Currants and raisins under the old schedule were charged at the rate of Tls. 1.50 per picul (133 lbs). That rate at one time or another may have been approximately five per cent on the value. But in the intervening years raisin culture has been reduced to a scientific basis, the area has been enormously increased and prices have been correspondingly reduced. Even under the old tariff in recent years, raisin importers had to pay a duty, reckoned on present c. i. f. prices of their product, which amounted to more than ten per cent advalorem. In addition to that the particular

firm in question had been paying luxury and surtaxes additional, so that what they actually paid, not through some private arrangement as has been the case with certain other products, but right over the counter of the Chinese Custom House a duty which has amounted to more than thirty per cent, figured on a c. i. f. basis, and regardless of what other additional consumption taxes, or taxes by some other name, may have been levied on these products in the interior of the country. Here is a product which in no way competes with Chinese industry, one which has an undoubted beneficial effect on the health, a demand for which has been created by strictly business methods, and yet it had to pay more taxation than whisky and wines, the demand for which is always present and which requires very little business acumen to develop. That was the situation under the old tariff. And now what has happened? The compilers of the tariff have raised the duty on raisins to Tls. 3.75 per picul, which works out at more than forty per cent advalorem, whereas the whisky and wine dealers "get by" with 27½ per cent. The anomaly is accentuated by the fact that dried fruits generally only pay 12½ per cent. This is at least one instance in which *The Review* feels that the compilers of the tariff might in justice revise their figures.

THE OPIUM EVIL IN SHANGHAI AND ELSEWHERE

CHINA has its boot-legging problem just as has America, the only difference being that here it is opium that is being boot-legged, while in America it is whisky and other intoxicating liquors. The problem that the Chinese government has before it is a more difficult one than that which the American government has before it, among the reasons being that the hold that opium has on its habituees is greater than the hold of whisky on a boozer"; the drug is far more expensive per unit than is any form of intoxicant, and therefore the incentive to bootlegging is greater. The problem of suppressing opium in China is made difficult by the fact that various provincial authorities are hard-pressed for revenue and therefore connive at, and in some cases encourage, the raising of the poppy which serves as the source of the opium. Likewise detection of opium-bootleggers is made difficult frequently through officials, whose business it is to suppress the traffic, accepting bribes from the bootleggers and allowing the bootleggers of opium to continue in their nefarious traffic. A parallel to this situation, although not to the same extent, is found in the United States, where officers in the employ of the U. S. government service have been found guilty of the same practice in connection with the Prohibition law.

That there is a large body of public opinion in China honestly opposed to the opium traffic in all its ramifications is undoubted. This was made evident at the recent session of the National Opium Conference at Nanking, when it was reiterated that the only effective Governmental policy with regard to opium was one of absolute suppression. An incident of that conference was that a representative of a southern militarist invaded the premises following a resolution having been passed to investigate the opium-smoking and opium-dealing proclivities of said militarist, the obvious hint being one of intimidation. But the members of the conference stood their ground and went on with their investigating. About a year ago the announced policy of the Kiangsu provincial government with regard to opium was one of connivance, that is, it was proposed that in order to stamp out opium the government itself should engage in the business, making a monopoly of the drug, gradually decreasing the quantity and increasing the price, with the promise that the trade shou'd come to an end entirely within three years. It was as if, say the state of Pennsylvania, should have announced that in order to enforce the Prohibition law it would engage in the liquor business itself, forbidding every one else to deal in it, and gradually decreasing the quantity and increasing the price, so that the trade should come to an end within three years. Such a policy was attackd as hypocritical and insincere and was abandoned after a short while.

However, it is an undoubted fact that a huge trade in opium is being conducted in nearly every part of China, and nowhere greater than here in Shanghai. The Chinese charge that the existence of the foreign Settlements makes detection difficult, and probably that is true. Very nasty rumors are in circulation regarding conditions in the French Concession particularly.

Several weeks ago an incident occurred at Shanghai which is a direct challenge to those who would see the traffic suppressed. In this particular instance there is no foreign angle to it that could befog the issue. Plainly put, a Chinese-owned ship which touched at a Chinese-controlled wharf was the carrier of Chinese opium from an up-river port which was landed by a party of Chinese. The reports are conflicting as to what happened next, but one thing is sure, and that is that the police from the Bureau of Public Safety got into a conflict with the soldiers of the Garrison Commander as to who should be the custodian of the opium. Each side claimed to have been actuated by the highest of motives, but the external evidence is that both were intent on "protecting" the shipment. To put the matter plainly it is a matter of common rumor that both the police and the soldiers are themselves engaged in the opium traffic and now each of them is trying to pass the "buck" as regards this particular shipment. Various investigations concerning the incident have been made from various angles, but up to date nothing definite seems to have been accomplished towards fixing the responsibility. Indeed, there seems to be some doubt as to what in the meantime has become of the opium which forms the basis of the incident.

In the meantime, while the Chinese authorities are investigating the matter, it is pleasing to note that progress towards suppressing the opium traffic throughout the world is being made. L. A. Lyall, the former British Commissioner of Customs at Shanghai, has been appointed by the League of Nations a member of the permanent Central Board on Opium Traffic, other members being, Mr. May, American, Mr. Niyajima, Japanese, and Sir Busanta Kumar Mullick, Indian. The first meeting is to take place January, 1 next.

THE ILLNESS OF KING GEORGE V. OF ENGLAND

THE brave fight for life which King George V. of England is making has evoked the sympathy of the entire world and focussed attention on the Throne as a British institution. Prayers for the King's recovery were said in many American churches and several days ago President Coolidge cabled to the King that he was greatly pleased to learn that there had been a distinct improvement in the King's health, the President at the same time expressing the

hope that the King would recover within a short time.

England has been fortunate in the possession of its Royal Family. One of the net results of the great European war, outside of the slaughter of millions of people of many nationalities, was that such proud dynasties as those of the Hapsburgs, the Romanoffs and others, were toppled from their heights never to be revived. In each instance the onsting of these old ruling families was not accomplished by the "enemy," but was consummated by forces from within. Yet, amidst the great debacle of the reigning families of Europe, there was hardly a ripple round the British Throne. In fact the only change that was made, was to discard the old title with its Teutonic associations and to adopt the English name of Windsor.

Neither during the war nor after it has there been the least suggestion, even among the very strong Labor party in England, to abolish the Throne. The sentiment of the British Labor Party was well expressed when its distinguished leader, Sir Ramsay MacDonald, several days ago paid a tribute to the personality of the King, stressing the point of how the King had devoted himself to doing his duty with absolute constitutional impartiality. There probably has never been a Royal Family anywhere at any time more popular among its own people or abroad than that of King George, Queen Mary, the Prince of Wales, the Princess Mary and the younger princes. When, as a result of the war complications might have arisen through the marriage of a Royal Princess into some Continental family, the British Royal family created a precedent by having the Princess Mary marry a "commoner". There is probably nowhere to be found a better set-up young man than the Prince of Wales, whose popularity in America, particularly among the gentler sex, almost resulted in his being mobbed when he visited America several years ago.

The British have long since solved the problem of what to do with their King. The business of governing is left to the Ministers. In England the King reigns, but does not rule. The rallying cry in England is not as in America round the Flag and the Public School; it is: the King and the Church. Apparently without any real power the King in England nevertheless wields an enormous influence through indirect means. He is the first Gentleman of the Land, in a land where a special class of Gentlemen is educated to occupy the higher governmental and executive positions. No corner-stone laying, no agricultural show, no opening of a large new building is really complete without the presence of the King. The business of being the King of England, or the Queen, is a strenuous thing. His life is one long round of answering calls to duty as the representative of the British nation. As is the case with all rulers, certain precautions are taken for his safety, but they are altogether unobtrusive. One meets many Englishmen who will tell you that if the other King George would have been as wise as the present King George America would still be a British colony and be satisfied. After all, we as Americans probably sometimes forget that within the recollection of people still living three American Presidents have been assassinated, and an ex-President (Roosevelt) seriously wounded by a pistol shot while making a political speech. Nothing of that sort has happened to any British ruler in recent times. So, let Americans join with their British friends in praying for the recovery of their deservedly popular King.

Tsingtao Governor Defends Spanish Coolie Trade

The following is the reply Chao Chi, Governor at Tsingtao, to the National Government on the question of the recruiting of coolies in Shantung province to be sent to the island of Fernando Po, Spanish African possession:

"To the Civil Affairs Department and the Committee of the Chinese Residents' Affairs, Nanking Government:—

"On receiving your two telegrams of November 16th & 27th prohibiting the Spanish recruiting of Chinese laborers from this Port, I beg to reply to you that we all have a very high appreciation of your good intentions for the protection of the people. But, as a result of the succeeding civil wars during the last few years in Shantung, together with the calamities of flood and famine, thousands and thousands of people have become homeless and are out of employment. The situation becomes especially pitiful with the approach of winter, when the north wind blows so hard and the weather is severely cold. Although we have made financial contributions with our utmost energy, both officially and privately, it is still likely that the money is far too insufficient for the relief of the poor, and does not give much help to free the people from this suffering. If these conditions be permitted to become prolonged they will result in the starvation and death of all the weaker people who suffer, while the younger and stronger ones, struggling for a living, will become bandits and spread throughout the land wreaking havoc. Having closely observed these conditions I have frequently held deliberations to seek some remedy.

"When the Spanish delegates came to this Port to recruit the Chinese laborers I thought it offered a very good opportunity for the poor. I therefore gave them permission to recruit 2,000 men, firstly because of the wretched condition of the people, and, secondly, going upon the basis of Treaty stipulations. When recruiting started only a few days had passed when the figure of 2,000 could have been increased several times over, so numerous were the applicants for recruitment. It is evident beyond a doubt that living for the people has become difficult.

I suppose that you have already studied the terms of the contract offered. Conceiving that more favorable terms should be included, I have discussed with the Spanish delegates many times and finally agreed upon the following items:

"Apart from the concluded contract, the necessary additional detailed agreement has been made and agreed upon between the Kiao-Ao Administration the Spanish Government representatives, and the agent Mr. R. H. Eckford as follows:—

1. An official despatch shall be given to the Administration from the Spanish Legation in Peking to witness the labor recruiting by the Spanish Government, and the official document held by the Spanish representatives for labor-recruiting shall be deposited in the Administration for reference.
2. Women and children are not allowed to be recruited as it is very difficult for them to endure such a long trip on board the ship.
3. A complete list of Chinese laborers with their names, ages, native places, families etc, shall be provided to be kept in the Administration for reference.
4. Before the laborers embark, the Administration, the Chinese Chamber of Commerce and other offices concerned will appoint representatives to ask personally the laborers one by one whether they are willing or not to go to Fernando Po, as a means of avoiding any compulsory recruiting.
5. The steamer for the transportation of the laborers to Fernando Po must at least be over seven thousand tons.

"In conclusion, my permission to the Spanish delegates for recruition of Chinese laborers is solely for the good of both the nation and the people, and not for myself. I cannot do anything against my conscience.

"As this matter is very important, consultations were made deliberately between me and the Spanish delegates lest something might fail so that our people, after arrival at their destination, might suffer pain or inconvenience.

"As regards the climate, according to reports from our Observatory and from different sources, it is not malarious. Although these poor people will be separated by thousands of miles from their native home country they will be able to earn their living, and consequently I would venture to assert that it is for the good both of this country and the people and I will undertake this regardless of punishment.

Chao Chi, Director-General Kiao-Ao, Commercial Port."

Propaganda-Inspired Student Mob Wrecks Home of National Foreign Minister at Nanking

A mob composed largely of students from the Central Government University, who apparently were inspired by a mixture of Japanese propaganda, domestic Kuomintang politics and ultra-patriotism, went on a rampage in Nanking on the afternoon of Thursday, December, 13 and before they could be rounded up by the Nanking gendarmie, wrecked the private residence and motor-car of Dr. C. T. Wang, Ministry of Foreign Affairs. Some minor officials of the Ministry of Foreign Affairs as well as several members of the Nanking police received slight injuries. Dr. C. T. Wang against whom

—*Picture Compliment Eastern Times*

Portion of Dr. Wang's Residence at Nanking Which Was Damaged by the Mob

the attack was directed, was in Shanghai at the time, having come to this city where he was the guest of honor at the annual dinner of the British Chamber of Commerce.

According to reports which have appeared in the Chinese newspapers, the mob action was an outgrowth of a series of anti-Japanese agitations and demonstrations which have been held in the National Capital for a period of one week under the auspices of the National Anti-Japan Association. The report which was issued by the (official) *Kuo Min* news agency on December 14 stated that it was only due to the tactful handling of a difficult situation by Gen. Chiang Kai-shek, that "a serious affair embarassing the Government" might have occured owing to the presence in Nanking of Takejiro Tokonami, a prominent Japanese politician who was holding conversations with officials of the National Government on various outstanding Sino-Japanese diplomatic problems. As soon as the trouble started, Gen. Chiang placed a guard about the Japanese Consulate and also about the house where Mr. Tokonami and his party were staying.

The report circulated from Nanking by the Japanese *Toho* news service on Dec. 13 stated that the mob grew out of a mass-meeting held on the grounds of the Central University, following which a parade was formed which marched to the Ministry of Foreign Affairs where anti-Japanese speeches were delivered and where various anti-Japanese slogans were shouted combined with demands that no further negotiations be held with the Japanese until all Japanese troops had been withdrawn from Shantung province. The mob also criticised both Dr. C. T. Wang, Foreign Minister and Mr. T. V. Soong, Finance Minister, alleging that they had agreed to the "recognition" of the Nishihara loans which the Japanese had advanced to the notorious Anfu Clique in Peiping during 1917, 1918 and 1919, the students claiming that the National Government had been forced to recognize these loans in order to obtain Japan's consent to the coming into effect of tariff automony on Feb. 1 of next year.

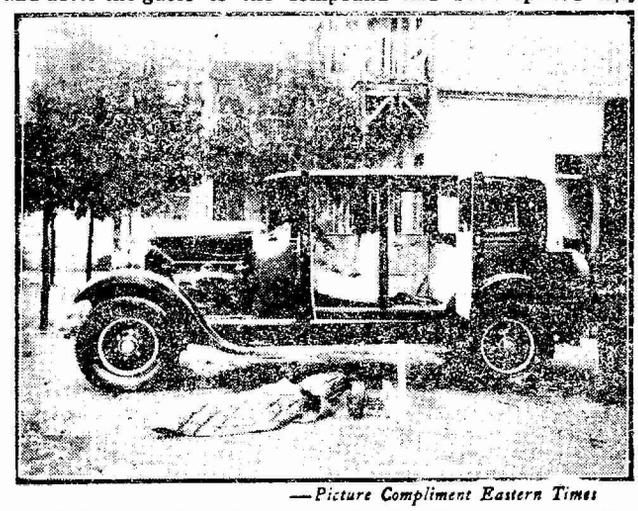
Mob Then Wrecks Dr. Wangis Residence

When the leaders of the mob found that Dr. C. T. Wang was not at the Ministry of Foreign Affairs they marched to Dr. Wang's private residence where they broke the windows and destroyed considerable furniture. Perceiving his motor car in the garage, they vented their wrath on it as the accompanying picture shows. By this time word had reached Gen. Chiang Kai-shek, Chairman of the State Council and he immediatelyt sent representatives to the secne and finally induced the paraders to go to the Kuomintang Party headquarters where he spoke to them regarding the exact nature of the Sino-Japanese negotiations which had been conducted. The students were very obstreperous and demanded that Mr. Tokonami, the Japanese emissary be immediately expelled from Nanking and that Dr. C. T. Wang be dismissed from office because of his alleged responsibility for the Government's "weak diplomacy." After vainly trying to pacify the hot-heads in charge of the demonstration, Gen. Chiang gave an order for the military police to close the gates to the compound. He then lectured to them for some time further explaining the Government's position in respect to the Japanese negotiations and admonished the students to "keep quiet and watch the course of events." He then took down the names and addresses of some 200 of the ring-leaders, following which he permitted them to depart.

The reports regarding the rioting which appeared in the Chinese newspapers at Shanghai were more detailed, the *Sin Wan Pao* stating in its issue of Friday, Dec. 14, that more than 2,000 persons participated in the mass-meeting. Gen. Chiang Kai-shek, according to the report, sent representatives to the meeting who attempted to explain the status of the recent Sino-Japanese negotiations, but despite their efforts, the crowd decided to "carry out their demonstration on a large scale" and organized a parade to the Ministry of Foreign Affairs. At the Ministry members of the staff informed the leaders of Dr. Wang's absence in Shanghai, but the crowd became more excited and then marched to Dr. Wang's private residence. Finding the gate locked they proceed to climb the wall and smashed up things pretty generally, incidentally damaging a large portrait of the late Dr. Sun Yat-sen. Gen. Chiang Kai-shek then arrived on the scene and ordered the students to proceed to the Party Headquarters where he told them that "patriotism was admirable, but illegal actions served only to embarass the government." He declared that the Government was doing everything possible to abolish the illegal treaties but it had to proceed in a legal manner. "Should you proceed in a violent manner, "Gen. Chiang declared, "you provide opportunities for bad elements to bring discredit upon the Government. The present National Government is proceeding in a true revolutionary spirit and should you find that the unequal treaties are not abolished and all foreign troops withdrawn from Chinese soil within three years, then you may cut off my head".

Students Moved by Chiang's Eloquence

The students were deeply moved by Gen. Chiang's appeal and after the gates to the compound had been opened they



—*Picture Compliment Eastern Times*

Mob at Nanking Also Wreaks Its Vengeance on Dr. Whang's Motor Car

finally marched away with shouts of "Long Live the Kuomintang," and "Support Gen. Chiang." Gen. Chiang then telegraphed to Dr. C. T. Wang at Shanghai urging him to return to Nanking immediately and promised that no further incidents of the kind would occur. In addition, T. V. Soong, Minister of Finance issued an announcement to the effect that the so-called Nishihara loans had not been discussed in his conversations with S. Yada, Japanese Consul-General and that such important matters could not be discussed by any individual Minister but by the Government in council. Dr. C. T. Wang, Foreign Minister, immediately upon his return to Nanking the next morning, stated in an interview with a

reporter for the *China Times*, a Chinese newspaper in Shanghai, that such actions as those participated in by the student mob, undoubtedly impaired the dignity of the Government and while he was awaiting the Government's action, he did not think that the student activities would adversely affect the progress of diplomatic affairs. Dr. Wang immediately resumed his negotiations with the British Minister, Sir Miles Lampson, on the pending tariff question.

Chinese in official and civilian life are divided in their opinions in respect to the actual cause of the student demonstrations, some holding the point of view that the mob was incited by reports which the Japanese newspapermen in Nanking have been sending back to the Japanese papers claiming that both Dr. Wang and Mr. Soong, the Finance Minister had agreed to "recognize" the Nishihara loans, one of the Japanese reports giving alleged details that Mr. Soong had agreed to set aside the sum of $5,000,000 from the increased customs revenues the first year and then to increase this amount $1,000,000 annually thereafter. These reports which appeared in the Tokyo papers were all cabled back to China and appeared in the Chinese newspapers thus creating the belief in radical political circles that some understanding had been reached, despite the denials issued by both Dr. Wang and Mr. Soong.

Some Think Left Wing Responsible

Aside from this point of view there is a considerable section of Chinese who believe that the student demonstrations were actually inspired by the so-called left wing in the Kuomintang who seized on the Japanese negotiations as a political weapon for attacking the present Nanking Government in the hope of forcing them out of office prior to the Third National Congress of the Kuomintang Party which is scheduled to meet on March 15. Then in addition to the activities of the "leftists" there has also been considerable criticism of the recent treaties which have been negotiated by Dr. Wang and Mr. Soong, on the part of the so-called "old guard" conservatives in the Kuomintang who fear that the clause in the Belgian and Italian treaties granting foreigners the right to own land in China will lead to further "imperialistic" encroachment and particularly will cause complications with the Japanese owing to the long-standing Japanese demand for the right to own land in Manchuria. This criticism of the new "equal" treaties really began when the Soong-MacMurray tariff autonomy treaty was announced, the allegation being made that the clause in the Sino-American treaty which binds both America and China not to grant lower or assess higher tariff rates on other foreign goods than the rates assessed against Chinese-American goods, was nothing more than the old objectionable "most favored nation" clause in the previous treaties.

Then still further there is always the ever-present element of personal rivalries within the Kuomintang, some Chinese alleging that the attack on Dr. Wang was really engineered by certain highly-placed personages who are jealous of his recent successes in treaty-making and would like to force him out for a man of their own choosing.

Government Tightens Restrictions

The first effect of the student demonstrations was to force a tightening of restrictions in Nanking where the local gendarmie was placed immediately under the control of the Government instead of the municipality. The standing committee of the Central Executive Committee of the Kuomintang held a meeting on Dec. 14 and while the results were not made public, it was reported in the Chinese press that the meeting decided that "while the National Government has no intentions to restrain the popular patriotic movement, that certain leaders of the demonstration should be held responsible." It was also stated that while the demonstrations were supposedly of an anti-Japanese character, that the real purpose was to wreck the government in order that a more radical regime might be brought in. The Government State Council also met and decided that all future activities of a public nature on the part of residents of the Capital should be carefully supervised. The State Council also issued a formal mandate on the question which referred to the student activities as "anti-foreign" and ordered an investigation with punishment of the ring-leaders, who according to later reports, have been arrested. A considerable section of the city of Nanking has been placed under martial law,

Chinese Aviator Hopes to Fly Across Pacific

Major Tien Lai-huang, Chinese aviator, hopped off from Buffalo recently on the first leg of a good-will flight of the United States, accompanied by Donald Starr and Jack Byre of Grand Rapids, Michigan.

Major Tien during his stay in the United States was preparing for a flight from the United States to China.

The proposed trans-Pacific flight, according to Major Tien, will be made by way of Honolulu and Midway island. He hopes to link San Francisco and Canton, by air for the first time.

Street-Car Men Return to Work, Quit Again

The strike of the workers in the French Tramway, Electric Light and Water Company, which began on December 3, is now completing its third week, exclusive of three days during which the strikers returned to work in the hope of some improvements being granted in accordance with the promise of a friendly arbitrator. The street-cars and motor buses of the French Concession are suspended altogether, even the cross-town cars which run from the International Settlement through the Concession into Chinese territory. The clerical staff of the big French company, however, continues at work, and the electric light and water supply is maintained by a skeleton staff. Unless the Company decides to meet the demands of the men in a different spirit than heretofore, there seems little likelihood of the strike being ended in the immediate future.

The principal demands of the men are wage increases, a flat increas of 30 per cent for all grades being asked. A lesser increase would unquestionably be acceptable, the 30 per cent, and some other demands, being put forth largely for bargaining purposes.

The strikers returned to work on December 12 after a meeting between representatives of the strikers and a Mr. Doo Yue-sing who had been accepted by the Company as mediator, together with representatives of the local Kuomintang and local Government officials, had drawn up a list of conditions which were mutually acceptable, involving $5 monthly increase in wages, an 8-hour day, recognition of the union, allowances for medical treatment, educational work etc., with payment for the strike period.

At this preliminary meeting it was decided that the agreement covering these points should be signed not later than December 15th. In the meantime, the men returned to work, and continued at their jobs until the night of the 15th, when it was reported that the Company's representatives had failed to go to appointed place for the signing of the agreement. Upon learning of this, the men decided to renew their strike.

It was understood by the strikers, and reported in the Chinese press, that Mr. Doo Yue-sing, who is a leading business man in the French Concession, was representing the Company, and the British press reported that the Company had agreed with the strikers to accept Mr. Doo as a mediator. Later, however, the Company reported that they had not authorized him to act in their behalf.

In any case, the three days's return to work was due to the belief of the men that the Company had made concessions. The strikers declare that they are worse of than the workers on the Settlement cars, who they say received wage increases during the past year. In addition, the men say privately that the conductors in the Settlement can frequently "knock down" several dollars monthly in addition to their wages, while this cannot be done on the French lines, making a material difference in their income. (Americans who have worked as street-car conductors at home will appreciate this point.)

The Kuomintang, and the Social Affairs Bureau of the Government, has taken a friendly attitude towards the strikers, who are also receiving moral and financial support from other unions, and the co-operation of the Chinese Newspapermen's Union as regards publicity. They are careful to avoid entanglements with outsiders, however, and it is reported that some of the men caused the arrest of some Communists (nonstrikers) who were distributing Bolshevik propaganda literature.

The local British press however, for its own purposes asserts that the strike is instigated by outsiders, that the strikers are forced to quit work by these men "higher up," that it is clearly a Communist attempt etc., etc. They however produce no evidence for these accusations against the street-car men who apparently are sincere in their demands for better wages and working conditions.

Marriage of Wm. P. Hunt to Mrs. Vera Frisk

The marriage took place yesterday (Friday, December 21) of William P. Hunt and Mrs. Vera Frisk. A reception to the newly wedded couple was given in the afternoon by Mr. and Mrs. Leonard Everett at their residence 1351 Avenue Joffre, and a dinner by Dr. George Sellett, U. S. District Attorney, in the evening at the Majestic Hotel. Mr. Hunt was until recently manager in Shanghai of the U. S. Shipping Board and last week joined L. Everett, Inc. as vice-president and assistant general manager.

Wm. P. Hunt to Join L. Everett, Inc.

Wm. P. Hunt, local Manager of the United States Shipping Board, has resigned that post, effective December 31, 1928, to become vice-president and assistant general manager of the L. Everett Inc. shipping agency.

Before coming to Shanghai a year ago to manage the Shipping Board office Mr. Hunt for two years acted as American vice-consul at Tientsin. Prior to that he was employed in consular service elsewhere and earlier was engaged in political work in the United States. Mr. Hunt is well known in shipping circles and recently received considerable prominence as one of the five arbitrators in the disputes in connection with the Atsuta Maru-Hsin Dah Ming collision, which involved the sinking of the Hsin Dah Ming, the loss of the vessel and a number of lives.

Mr. William P. Hunt

L. Everett, Inc. recently were appointed agents for the American-Pioneer Lines, Atlantic and Gulf Division, of the Roosevelt S. S. Co., N. Y., operating 26 freighters and freight and passenger vessels, many of which are of the newest and most efficient motor ship type. The China United Navigation Company, an organization sponsored by Chinese banking interests, also will work through L. Everett, Inc. The Chinese shipping company, which is expected shortly to inaugurate important services here, is headed by Nicholas Tsu, a Chinese for some time prominently identified with marine transportation in the Far East. Both Mr. Everett and Mr. Hunt are important stockholders in the new venture. No definite information is available as to the number of vessels to be operated, but it is understood they will be both steamships and motor ships of the latest type and will constitute one of the most efficient fleets in the Orient.

Chinese Militarists and Japanese Still Retain Railway Equipment

Sun Fo, the Minister of Railways, is making a determined effort to bring the railways of the country under central control and to release them from the burdens that they have to bear as the result of interference by various military leaders. Marshal Li Chung-jen, Marshal Yen Hsi-shan and Gen. Pei Tsing-hsi are stated to be giving their support to the new rehabilitation policy, and Marshal Chang Hsueh-liang of the Three Eastern provinces also recently wired to Nanking that he would support the policy, but nevertheless the situation seems to be that he retains control of several hundred locomotives and several thousand cars.

The condition of the railways inside of the Great Wall does not seem to be much better, as according to latest reports various military leaders are detaining the following locomotives and cars on the railways mentioned:

Mukden line—28 locomotives, 450 cars; Suiyuan line—67 cars; Lung-Hai line—9 locomotives, 309 cars; Hankow line—14 locomotives, 299 cars: Hangchow line—51 cars:

To add to the miseries of the Chinese railways the Japanese military is retaining 55 locomotives, and 796 passenger and freight cars in Tsinanfu.

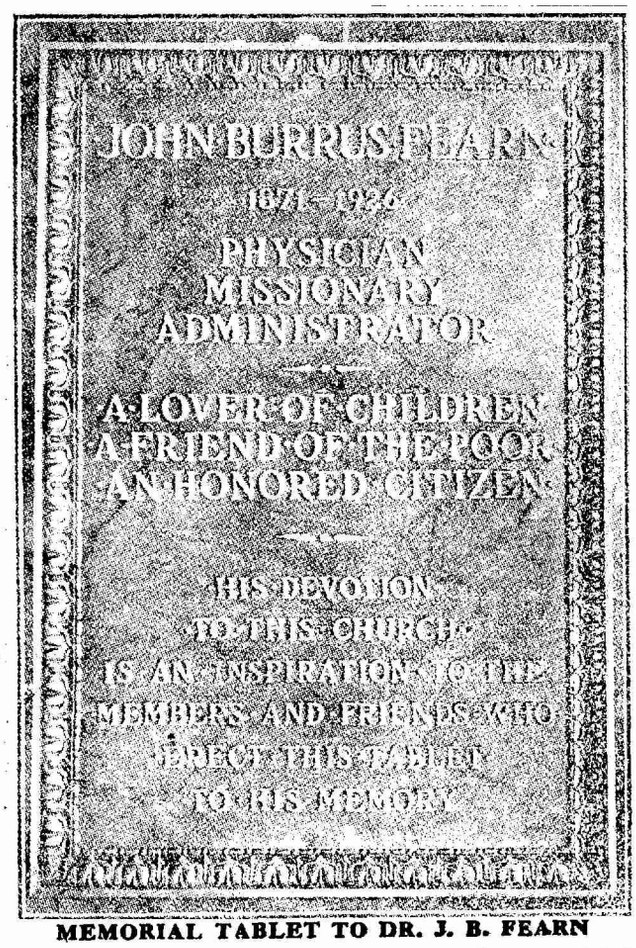
Chinese Merchants from Manila Urge Participation in Carnival

Among the arrivals in Shanghai from Manila on the recent trip of the *President Cleveland*, was a party of five prominent Chinese merchants from the Philippine Islands, who as representatives of the Chinese Chamber of Commerce of Manila have come to China principally for the purpose of conferring with Dr. H. H. Kung, Minister of Industry, Commerce and Labor, with regard to Chinese participation in the forthcoming carnival at Manila.

The committee is composed of Albino Sy Cyp, chairman, Li Chao, Kui Han San, Lee Cheng Sin and John Lim.

Tablet Unveiled at Community Church to Late Dr. J. B. Fearn

The morning service at the Community Church, Shanghai, last Sunday morning, December 16, was given over to the ceremony incidental to the unveiling of the tablet which has been placed in the Church in memory of the late Dr. J. B. Fearn, who for several years was the superintendent of the General Hospital in Shanghai. A short speech was made by C. W. Petitt of the Y. M. C. A. General Committee, the principal address being made by Calder Marshall, chairman of the British Chamber of Commerce of Shanghai, who was a



MEMORIAL TABLET TO DR. J. B. FEARN

A memorial tablet, bespeaking the high esteem felt for the late Dr. J. B. Fearn by the members of Community Church, was unveiled at the regular Church service on Sunday, December 16.

close friend of Dr. Fearn's. A message from Stirling Fessenden, Chairman of the Shanghai Muncipal Council, referred to Dr. Fearn's splendid career. The cost of the tablet was met by friends of Dr. Fearn in Shanghai. The late Dr. Fearn was born at Jackson, Mississippi, in 1871, and was married in 1896 to Dr. Anne Walter (Fearn), who survives him. He first came to China in 1895, and during the World War served as a Captain in the Royal Army Medical Corps.

Gale & Co. of Hankow to Supply Five Planes to Wu-Han Aviation Bureau

L. E. Gale and Company, of Hankow, who are the agents for Mahoney Aircraft Corporation, of San Diego, California, recently were given an order by the Wu-Han Civil Aviation Bureau for five Ryan planes, at a cost of Gold $65,000. The planes to be furnished are similar to the "Spirit of St. Louis" with which Col. Lindbergh flew across the Atlantic. They are of the closed cabin type with seating arrangements for five passengers including the pilot. The engine is of the Wright "Whirlwind" type, 200 horse-power rating at 1800 rounds per minute, with nine radial type, air-cooled cylinders actually developing at high speed about 224 horse-power fitted with dual "scintilla" magnetos, Stromberg carburetion and Eclipse starter. The contract calls for a test flight to be held at the South Lake Aviation Field, by a pilot who will come out specially from America to superintend the test.

Extraterritoriality: an American View

BY EDWARD S. CORWIN*

THE Extrality Issue is due in no small measure to the accident that International Law was originally erected so largely on the notion of *territorial sovereignty*. The subjects of International Law, we are taught, are sovereign states, and a sovereign state is one which has jurisdiction over all persons and things with its territorial boundaries. This conception is an unnecessarily narrow one. Abstractly there is no reason why International Law should not have been founded on more catholic principles, principles which admitted of more variety in the juristic characteristics of states, and particularly as by this very principle of territorial sovereignty, when pressed to its logical conclusions International Law is not law at all!

In point of fact International Law has begun within recent years to show itself somewhat less hide-bound in this respect. Several members of the League of Nations fall considerably short of meeting the standard definition of a sovereign state. What is more, there are even to-day exceptions to the territorial jurisdiction of the most completely sovereign states, which represent the persistence in International Law of an earlier principle. A sovereign on visit carries with him his own law; and diplomatic agents are not subject to the jurisdiction of the countries to which they are accredited. Earlier a like immunity extended to consular agents and even to foreign merchants, who at that period were about the only private persons to venture abroad.

Personality of the Law

The immunizing principle thus illustrated is known as *the personality of the law*, and owed its appearance in the West within historical times to the Teutonic tribes which invaded the Roman Empre. For some centuries following the overthrow of the Western Empire the conquering tribes, while applying their own laws to their own peoples, accorded the conquered Romans the reciprocal privilege. Furthermore, where the tribes mingled each habitually applied its own customs in cases involving its own members. The ultimate absorption of the jealous principle of territorial jurisdiction from the Roman Law was due, in the first instance, to the amalgamation of populations, and was completed by the rise of the feudal system, when the law of the fief succeeded that of still identifiable tribal elements.

Nevertheless the principle of "personality"—or as we to-day term it, "extraterritoriality"—has an obvious convenience for certain situations, and has always tended to reassert its validity in the presence of such situations. One such situation is where members of one civilisation have found themselves in numbers and for a length of time in regions subject to a sharply different civilisation. Crusaders of the 11th, 12th, and 13th centuries carried their own laws and customs with them into Asia Minor, and even after they had been expelled by the more cultured Saracens the merchants whom they left behind were permitted to have their own laws applied through their own consuls, a system which eventually ripened into the Capitulations of the 16th century. The immunity which these conventions accorded the subjects of European states resident within the dominions of the Sublime Porte from the latter's jurisdiction endures until the outbreak of the Great War.

The first intrusion of Westerners into the Chinese Empire repeated in all essentials what had occurred earlier in the case of Turkey. The Westerners came to trade, and used force to gain an entrance into the country for that purpose. China, however, at the outset was able to establish bounds to their ambition, and their invasion was confined to certain designated ports. Here they congregated in colonies, and here, as the Emperor was altogether willing that they should do, they submitted themselves to consular courts of their several nationalities. In short, extraterritoriality was conceded the Westerner in return for his exclusion from the interior of the country. Conversely, when Chinese began to visit or to migrate to the West they were neither accorded immunity from the jurisdiction of the foreign state nor prevented from passing to the interior thereof. Later developments between China and the West have been less controlled by this reciprocity of benefit. By the Treaty of Tientsin (1858), thanks especially to the pious fraud of the French Jesuit Delamarre, supplemented by the ever-servicable "most favored nation" clause, missionaries were permitted to penetrate to the interior of the Empire, and even to rent land and to construct houses, and all under the aegis of extrality. Still later, the right which the Chinese had hitherto enjoyed to settle in foreign countries began to be brought under drastic curtailment, especially in the United States; while from the first, following the precedents which had been created in the case of the Turkish Empire, the extrality principle had been interpreted as relegating "mixed cases" to the jurisdiction of defendants country, whereas under the operation of territorial sovereignty it is the plaintiff who usually choses the forum when the law affords a choice.

Distrust on Both Sides

As already indicated, the rational foundation of extrality is diversity of institutions, and especially in legal institutions and ideas. In the case of China this diversity, or better, incompatibility, was at the outset re-inforced by a mutual hostility, tempered on the part of the Westerner by a zest for trade. Far from desiring to extend their institutions to the Westerner, the Chinese, like the early Romans, deemed the foreigner entirely unworthy of such distinction. A Confucian commentator quoted by Willoughby in his *Foreign Rights and Interests in China*, (vol. II, p. 551; see *Foreign Policy Association Information Service*, vol. IV, p. 306-7) probably expressed the Chinese view of the matter very adequately when he wrote: "The barbarians are like beasts and not to be ruled on the same principles as citizens. Were anyone to attempt controlling them by great maxims of reason it would tend to nothing but confusion. The ancient kings well understood this, and accordingly ruled the barbarians by misrule; therefore, to rule barbarians by misrule is the true and best way of ruling them." Not much here certainly of the sentiment of "equality" That, on the other hand, the Westerner felt a like distrust of the Chinese, and a corresponding distrust of Chinese institution, is also probably true.

Interestingly enough, the fundamental incompatibility of inherited Chinese legal institutions and ideas with Western is closely parallel to the difference already elucidated between the doctrine personality of the law and the principle of territorial sovereignty. The former derives directly from the family organisation of society, and every man is deemed entitled to the law he was born under as his "blood right". The latter reflects the organisation of society by the power of a ruler whose commands alone are law. But the divergence which is of immediate interest to us goes deeper. In the West, just because of the vast power which has come to be attributed to government, it has been necessary to curb the arbitrary tendencies of political authority by setting up another principle, that of the *rule of law*, so that today it is a universally accepted doctrine in the West, that while there is no law but a command of the State, yet to be law a command of the State must be announced beforehand, and must be general in its terms and impartial in its application. In China, on the other hand, due to the persistence of the family principle, and the benign sway of the father, checked at every turn by the play of natural affection, no such principle as the rule of law has arisen. On the contrary, the concept of *li* with its "maxims of reason" is a direct denial of the rule of law principle. On its juristic side, the doctrine of *li* asserts that if justice is to be done each case must be determined on its own merits, and *in light of all the attendant circumstances*. It accordingly repels the idea that cases can be advantageously classified beforehand, on a basis of typical recurrent facts, and a fair rule laid down for them with only these facts in mind. In this respect *li* is reminiscent of the ideal of justice to which English equity originally sought to approximate when the common law had developed into a premature rigidity. It also recalls the agitation of certain modern Continental jurists for what is termed "freedom of judicial decision," that is a *carte blanche* for the magistrate's intuitions. Conversely, in the field of its most intimate application *li* as "right" has long since become stereotyped as "rite", while China's own rulers admit the inapplicability of its teachings in the case of the alien. Their demands for the abolition of extrality is accompanied by an announcement of their intention to supersede the ancient forms of Chinese justice, the principal seat of which is the village council of elders, with nation-wide codes based on western models, what are to be applied through courts also shaped on Western lines and governed by Western professional ideals.

Chinese Attitude toward Extrality

China's attitude toward extrality is based partly on sentimental, partly on theoretical, and partly on practical considerations. Extrality in the limited sense already discussed appears, and justly, to the Chinese mind as simply part and parcel of a system involving many more serious and less

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defensible intrusions upon her sovereignty. Again the Revolution itself testifies to the profound hold which Western political concepts have obtained upon the minds of the governing and the rising generation of Chinese. China has had many revolutions before. Chinese political theory teaches that a bad ruler may and ought to be displaced; but no previous revolution had eventuated in a Republic. Western ideals of democracy are, however, not to be divorced from the Western theory of State, in which the concept of territorial sovereignty is basic. The same course of reading and thinking that has infused the mind of Young China with republicanism has hardened its heart against extrality. Moreover, it is likely that the Revolution has already shaken the old consanguineous organisation of Chineee society more severely than as has yet clearly appeared. Why is it that China has continued on the basis of the family so long after the rise in the West of political society, of which the individual is the constituent element? The answer is that for some reason or other warfare has always been a more important pre-occupation in the West than in China; for warfare on the one hand, enhances the power of the State, and on the other, in its effort to obtain the service of the young and active part of the population, tears the family down. Its two-fold product is the released individual and the sovereign State. The militarism of recent China, whereby so many millions of young men have been wrested from their local habitations and given a new outlook and allegiance, may prove, in the long run, to have been its most profoundly revolutionising and transforming force.

Fundamental Disharmony

In brief there is a fundamental disharmony between the revolutionary movement as a whole in China and extrality, and this quite apart from the natural tendency of a revolution to stir patriotic sensibilities to a new acuteness. Nor are the practical objections to extrality of negligible importance, though their scientific study seems to have been singularly neglected. Their general character, and especially from the point of view of law enforcement, is none the less fairly manifest. Extrality means for one thing that for the cases which fall to the consular jurisdiction there are as many systems of law as there are jurisdictions, since each consular court enforces the law of its own country. The result is hardly accordant with the rule of law idea, to say the least. Again, a consular official is seldom versed in law, nor are his regular duties such as are calculated to qualify him for the role of the proverbial just judge. His major business is to protect the interests of his own nationals, and in a case between one of these and a Chinese it would be strange indeed if he were not often *parti pris* from the beginning. This objection has, to be sure, been largely if not completely met by the United States and Great Britain through the establishment at Shanghai of real courts presided over by men whose judicial work is their vocation, not their avocation. And there is another respect in which the position of a defendant under this system is unfairly advantageous, owing to the right which he ordinarily has of taking an appeal from his own consular court to a home court or courts. Obviously this possibility puts a Chinese claimant at a grave disadvantage in pressing for a settlement whether in or out of court; his tort-feasor has rather more than the nine points of the law in his favor to begin with. On the other hand, the system lavishes all its tenderness on the defendent, the presumed wrong-doer; foreign claiments against Chinese must still rely upon securing redress through the native agencies of justice. All of which is said, of course, with private Claims in mind. When one turns to the criminal law phase of the matter one often finds the difficulties obtruded by extrality in the way of law-enforcement greatly aggravated by the existence of foreign concessions—a system in which, outside of Shanghai, the United States has happily no participation. In the face of this two-fold difficulty effective enforcement of the law calls for the closest possible co-operation of Chinese and foreigners; while as the objection to extrality increases the likelihood of such co-operation steadily diminishes, The present crime situation in Shanghai, which seems to be especially acute in the International Settlement amply bears out this remark.

And so much for the detriment of extrality which are felt especially by the Chinese, though not exclusively by them. A final disadvantage is experienced primarily by the Westerner, and is likely to become more so as re-construction proceeds in China. Indeed it is not impossible that even if the question were never agitated by the Chinese extrality would eventually be abolished on the initiative of its own beneficiaries. Extrality still retains some measure of its original character of a concession in return for the exclusion of the foreigner from the Chinese interior. Even to-day American business is restricted to some fifty treaty ports. That China in her present state of mind will take no steps to increase the accessibility of the interior of the country to foreign interests who claim extrality may be taken for granted. But meantime several important nations have lost this status through their own voluntary surrender of it or as a result of the World War. The disadvantage will, therefore, be not only absolute, but relative, a material handicap in competition. The point is the more worth considering because of the tendency of Western powers in their policy toward China to march abreast under the banner of the "most favored nation" clause. Should the "most favored nations" once conclude that they were the less favoured, the extrality issue would be put on its way to a speedy solution.

The Justice of China's Position

There can be no question that so far as China's claim for the abolition of extrality rests on the claim of right to equality of status and treatment under International Law, it has been won already; certainly this is true so far as the United States is concerned. On January 26th, 1927, the American Secretary of State issued a Memorandum of which the following is the significant paragraph: "The Government of the United States was ready and is ready now to continue the negotiations on the entire subject of the tarriff and extraterritoriality, or to take up negotiations on behalf of the United States alone. The only question is, with whom it shall negotiate. As has been said heretofore, if China can agree upon the appointment of delegates representing the authorities or the people of the country we are prepared to negotiate such a treaty. However, existing treaties which were ratified by the Senate of the United States cannot be abrogated by the President, but must be superseded by new treaties negotiated with somebody representing China and subsequently ratified by the Senate of the United States." Since this date a National Government over all China has been established at Nanking, and the United States has negotiated a tariff treaty therewith on a basis of exact equality.

The problem that remains with respect to extrality is an important one; yet essentially it is a problem of detail—it is the problem of effecting the transition from the old system to the new with as much consideration as possible to all concerned. Thus to speak with the United States definitely in mind, before it submits the persons and property of its citizens in China to the jurisdication of the Chinese law and Chinese courts, it will not improbably seek a reasonable degree of assurance on three points; firstly, as to the permanence of the existing regime; secondly, as to its predominantly civilian character; thirdly, as to its ability through its courts to extend to Americans in China equal rights with those enjoyed by its own nationals, under a modern system of law. It may be said that the first point is already assured, but the second clearly is not, so the question remains even with reference to the first, of the extent to which the stability of the existing regime is dependent on the preponderance of its military element. In view of their age-long prejudice against military intervention in affairs of government, it is extremely unlikely that either the United States or Great Britain would consent to exchange the protection of civil institutions for its nationals in favor of one resting too overtly on military force, and subject to its hazards.

The really fundamental of the above three points is, however, the third, namely a reasonable assurance that Americans in China shall receive from the Chinese courts a law which, besides being modern in form and content, is fair and equal in its application to Chinese and foreigners alike. The principle of *equality before the law* is fundamental to modern jurisprudence no less than to democratic theory of state. In the United States, however, it is carried farther than anywhere else on earth, inasmuch as it is pleadable against even statutes. The Fourteenth Amendment to the United Stated Constitution forbids a state to "deny to any person within its jurisdiction the equal protection of the law," and the word "person" covers aliens as well as citizens. In the famous Queue Case decided a half century ago a lower Federal Court held void and inoperative as to Chinese offenders a local act which required all prisoners to submit to having their heads shaved. It was pointed out that his queue was (at that time) to a Chinese a badge of honor, and loss of it a corresponding dishonor. In such a case the application of the act in question to Chinese was held to result in substantial inequality before the law, contrary to the Fourteenth Amendment. In the still more famous case of Yick Wo v. Hopkins, the Supreme Court of United States itself interposed its veto upon a municipal ordinance which laid down certain precautionary restrictions on the conduct of the laundry business in frame buildings because it was shown to have been unfairly endorced as against Chinese. Said the Justice who spoke for the Court: "Though the law itself be fair on its face and impartial in its appearance, yet if it is applied and administered by public authorities with an evil eye and an unequal hand, so as practically to make unjust and illegal discriminations between persons in similar circumstances, material to their rights, the denial of equal justice is still within the prohibition of the Constitution."

A Gradual Process

The process of transition from the system of extrality should be made a more or less gradual one, as in fact it is in the recent treaties of the National Government with Belgium and Italy. These treaties recognise in principle the validity of China's demand; but the actual assumption by China of jurisdiction over Belgian and Italian nationals in China after January 1st, 1930 is left dependent, first, upon China's promulgation before that date of modern law codes; and secondly, upon her success in effecting within the same period "detailed rraangements *with*" Belgium and Italy for bringing the transition to the new system about. So far as the United States is concerned, I venture to suggest that such arrangements might advantageously comprise the following steps: first, the promulgation by China of the modern codes on which the authorities of the National Government are at present engaged; secondly, the adoption of these codes by the United States for its court in China, which in legal theory even to-day exercise not American but Chinese sovereignty; thirdly, the establishment of appeals from the American court to the Chinese Supreme Court on questions of law certified by the former; fourthly, the erection by China of courts of the first instance specially qualified by the learning required of their members and the security in office guaranteed them to act in cases affecting foreigners (This would be analogous to the action of the United States in 1789 in conferring jurisdiction over tort cases involving aliens upon the Federal courts, although state courts normally have the exclusive jurisdiction of such cases); and fifthly, the enactment by China of a commercial arbitration statute along British-American lines, such statute to render agreements between firms to arbitrate their disputes instead of carrying them into court enforceable by suits for specific performance, and the decision of the arbitral tribunals enforceable by the same process as judicial decisions. Statutes of this nature are gaining in popularity in the United States. They afford a way around clogged court calendars, and they make available an expert tribunal *chosen by the parties themselves* for the unravelling of unusually complex or delicate questions. Incidentally, they seem to approximate more nearly to Chinese traditions regarding law than they do to Anglo-American, and to represent in a measure gravitation toward a common position. Just how long it would take for China to obtain complete jurisdiction over American residents and American property in China if this programme were followed it is impossible to predict; but the process should not be a protracted one if the general fortunes of the new Republic continue favorable.

The Need of Impartial Justice

The final and indispensable guarantee of equal justice according to American ideals is, of course, an independent and impartial judiciary, which depends in turn upon the creation of a learned bar inculcated with these ideals—in other words, upon the development in China of legal education along Western lines. The judiciary in the West regards itself as, in Burke's words, "a body exterior to government," and as constituting to some extent an international fraternity which owes a duty often transcending national interests. An instance of this outlook is furnished by a case mentioned in the press recently, in which a British court in South Africa held that certain lands claimed by the Crown under the Treaty of Versailles still belonged to the ex-Kaiser. The issue turned on the narrow question whether the lands involved had been held by the Kaiser in a public or private capacity. The annals of prize courts furnish many similar instances of judicial application of the law contrary to the importunities of government, which are the more impressive for having occurred in the stress of war time.

China's own judiciary, though of so recent creation, has owned the potency of such ideals more than once. The martyrdom of Judge Bien in Shantung under the outrageous Chang Tsung-chang is a recent case in point. Some earlier chapters from this brief history, equally to the glory of the judicial office the world over, are recounted by Dr. Cheng in his "Introduction" to *Chinese Supreme Court Decisions*. The passage referred to reads as follows:—(pp. iii-iv) "In the fourth year of the Republic, when Yuan Shih-kai literally had 'law in his mouth and fortune in his hand', he gave instructions for the prosecution of a certain provincial governor for alleged embezzlement. The case was tried by Judge Chu of the Supreme Court, who, upon finding that there was no evidence to support the charge, dismissed the case. President Yuan who expected a conviction was much offended and vented his wrath by instructing the Administrative Court to enquire into the conduct of the offending judge. Of course nothing wrong could be found, and, as a last means of gratifying himself, he reprimanded the judge for being 'too subservient to the law'—a phrase that has now become historic and will ever be written in golden letters in books that deal with the history of the reformed judiciary of China. The other incident occurred in the following year, when the Supreme Court came into collision with Parliament over the question of appeal in election cases. It was contended by Parliament that the Supreme Court had no jurisdiction over such appeals, as the law was silent on the point, while the Supreme Court replied that according to its interpretation of the law, a function that it alone lawfully possesses, it had such jurisdiction. This led Parliament to pass resolutions denouncing its decisions and declaring them to be null and void. The then Government, too, was on the side of Parliament, but the Supreme Court was as fearless as it was right, pointing out that though Parliament could make laws, its resolutions had not the character of law. Reasons in the end prevailed, and Parliament gave in." But a judiciary cannot stand alone. It must be supported by a strong bar, having the public confidence and imbued with the professional spirit; in short, it must be the law teachers of China.

The Principal of Equality

One further point: Some of the more eager advocates of the abolition of extrality—not that their impatience is by any means unwarranted—have argued that the states nationals at present enjoy this privilege would have nothing to apprehend if it were discarded outright, since International Law itself makes partial and inequitable decisions by foreign courts a ground for diplomatic protest on the part of a country whose citizens are injured thereby. To be sure it does; but quite aside from the fact that diplomatic protests are often ineffective, and even when successful are usually long-drawn-out affairs, no nation really relishes the idea of charging to courts of a friendly state with injustice; nor does national pride, on the other hand, easily stomach such charges. A well-warranted reliance on the part of states on the integrity and general impartiality of one another's courts is a fundamental basis of international goodwill, and one which is bound to become more and more important as international contacts multiply.

The present position of the extrality issue so far as it involves the United States and China boils down then to this. China bases her case on the principle of the equality of states before International Law; the United States urges the principle of the equality of individuals before the ordinary law; and each accepts the validity of the principle urged by the other. With both sides holding clearly before them these inherently—as well as historically—reciprocal principles, the problem of devising a practical arrangement whereby they can be given effective, reciprocal, and constantly expanding operation until both are competely realised becomes a question of detail, even though at points of delicate detail. It is a question that ought to be well within the competence of statesmen having reliance on one another's general intentions,

Peiping, China, Dec. 12, 1928.

American Consulate at Nanking Resumes Operations

After having been closed ever since the Nanking incident the official American Consulate at Nanking has again resumed operations. The *Kuo Min* news agency December 15 issued a telegram from Nanking, which stated that Dr. C. T. Wang, Minister of Foreign Affairs, had received a telegram from the American Minister at Peiping, Mr. John van Antwerp MacMurray, which read as follows:

> "Pursuant to instructions from my Government I have the honor to inform Your Excellency that Mr. Clarence J. Spiker, formerly Consul at Shanghai, has been appointed Consul of the United States at Nanking and plans to reopen the Consulate at that place on December 15th. It is requested that recognition be accorded to him in his new capacity. I avail myself of this opportunity to extend to Your Excellency the renewed assurance of my highest consideration: MacMurray."

The American Consulate at Nanking was closed March 24, 1927, when it was looted by Chinese troops. Not only the building but the furniture was extensively damaged. The Consulate safe was blown open with a charge of explosives.

The Chinese Government has in the meantime repaired and repainted the building, and negotiations have been proceeding for several months between the representatives of the American and Chinese governments for a formal ceremony to mark the reopening, but there was a marked difference of opinion on certain minor points, and as a result the Consulate is resuming its functions at Nanking without any ceremony whatever.

(Continued on page 181)

Shanghai's First Modern Hotel to Open Next Spring

"Sassoon House", as the new building now rapidly approaching completion at the corner of the Bund and Nanking road, is to be known, will serve not only as the headquarters of the old Shanghai firm of E. D. Sassoon & Co., Ltd., but will provide facilities for a large number of office buildings, and, most important of all, will house a modern hotel. The building has been erected at a cost of approximately £750,000, and the site is worth £250,000, making £1,000,000 in all. In other words it is a five million dollar building, reckoned in American money, or a ten million dollar building, reckoned in Chinese money. The final touches will be put on the building sometime next March. However, the larger part of the office space has already been occupied. Work was commenced two years ago.

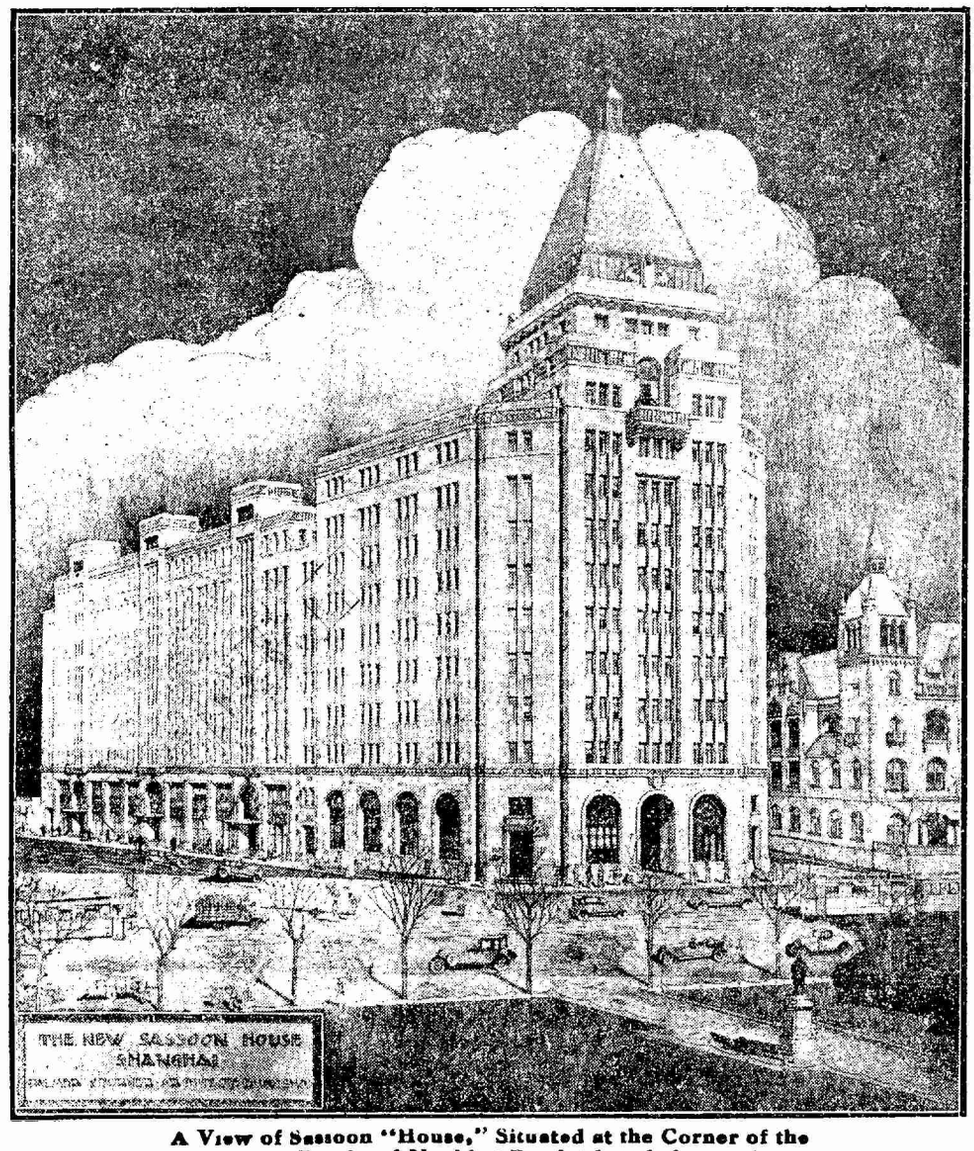
The ground floor contains three arcades running the width of the building, and a large rotunda, all of which are fronted with shops fitted up in the most modern style. In the front portion of the building two banks have their offices, one on each side of the main entrance to the hotel part of the building. The first three floors are being utilized as offices, the whole of the third floor being occupied by E. D. Sassoon & Co., Ltd. and their associate company, Arnhold & Co., Ltd. The front part of the fourth floor will be occupied by the American Women's Club, and the whole of the remainder of the building is being developed as a first-class modern hotel, to be known as Cathay hotel, and to be operated by a company incorporated under the title of Cathay Hotels, Ltd.

The Shanghai public will be particularly interested in the hotel, as up until this time Shanghai's hotel facilities have been in the hands of a monopoly and the service leaves much to be desired. The decision to convert part of the Sassoon structure into a hotel was made after the work of construction had been commenced, but the original plans of the building had been designed on such lines as to make the necessary changes without any radical structural modifications. The hotel will have a spacious entrance lobby and a large lounge, together with manager's office and a spacious reception office on the ground floor. Five elevators will communicate direct with the upper part of the building, which has been set apart for the hotel.

The main dining room will run nearly the entire length of the whole building, that part of the structure being set back so as to provide terraces in front. The dining room will have a capacity for 250, in addition to a large center floor available for dancing. Opening from the ball room will be a large lounge looking out across the Bund. In the tower there will be three restaurants, each having accommodation for about 80 people. The lower one of the three restaurants opens out on wide terraces on each side of the buiiding.

The equipments and furnishings of the building are nearly all British. Carpets to a value of about £12,000 were supplied by Tapling & Co. Textile requirements were met by Arnhold & Co.'s Manchester house. Dorman, Long & Co. supplied the structutral steel. Crockery was supplied by Doulton & Co. and silver and plate by Elkingtons and Mappin & Webb.

The new Cathay hotel has approximately 200 bedrooms each with a private bath room, in addition to a number of luxurious two and three-room suites. The ventilation system has been designed on the most modern lines, obviating the necessity either for radiators in winter or fans in summer. The ventilation system provides a complete change of air in all rooms twelve times an hour. Although a public company has been formed to operate the hotel, the Sassoon family retains the controlling interest. The architects for the building are Palmer and Turner of Shanghai.



A View of Sassoon "House," Situated at the Corner of the Bund and Nanking Road, Shanghai

Said Japan Is Actuated by Highest, Unselfish Motives

Mortimer Schiff, partner in the New York financial house of Kuhn Loeb and Company, who was one of the speakers at the annual dinner of the Japan Society in New York City on the evening of December 4 declared his conviction that, "Japan's policy toward Manchuria was animated by the highest motives and Japan has no selfish purpose to serve beyond the legitimate ones having relation to her own trade expansion and industrial development."

The principal speech was delivered by Katsuji Debuchi, the new Japanese Ambassador to the United States who dealt chiefly with the "cultural and spiritual" relationships of Japan and the United States. He said that an increasing number of American teachers, professors and economists are constantly going to Japan. There were about 1,000 guests present at the dinner. Other speakers included Henry W. Taft, brother of former President Taft; Dr. George E. Vincent, president of the Rockefeller Foundation and Thomas W. Lamont of J. P. Morgan and Company.

General Yen Shi-shan at Nanking

BY LI TZ-HYUNG

The Model Governor of Shansi safely arrived at Nanking last week and received a warm welcome from the populace, his arrival literally creating a sensation inasmuch as Nanking was disappointed, it may still be remembered, in June last when General Yen, already on his way southward for the purpose of attending the Fifth Plenary Session, was compelled to return back, as the result of an attack of appendicitis. That was most unfortunate. Nanking and the whole country as well regretted the incident deeply. His illness was, however, taken as anything but the true fact, but General Yen would be the last man to stoop to the same base subterfuges that made mandarin Peking a byword. General Yen has been in the north ever since the birth of the Republic and betook himself in the most admirable manner, being the least contaminated by Peking mandarinism.

General Yen places the utmost confidence in the sincerity of the leaders at Nanking. Back of June last, when he was urged to come down to Nanking, he was reported to have said most emphatically, "With the founding of New China, it is most important that a strong central Government should be instituted. How could it be possible then that I will not go there? Such straightforward and sincere talk is very characteristic of the revered Governor. But his ill-health and the post-war readjustments in the north did not permit him to come southward then. As a result there was wild speculation as to his motive on the part of the foreign die-hard press. It was luridly told that he had never meant to come down to Nanking, although ostensibly attributing his failure to come to his chronic appendicitis According to the line of reasoning indulged in by the "die hard" press a split in the Nationalist camp could only be a matter of time, of months at most. On such fairy tales the foreign public has been fed during the past few months. But as the trend of events has developed, the Nationalists are now closer together than ever before.

Why the Leaders Gather at Nanking

It is not for political spoils that the National leaders have assembled at the new Capital, but for a common purpose—the *San Min Chu I*. All of them are determined to gather at Nanking with a view to cooperation in a spirit of sincerity and mutual understanding.

General Yen's arrival is at once significant and timely, for the National Disbanding and Reorganizing Conference will be held in the near future. This constitutes a life and death problem for the whole country. The idea for calling such a conference can never be too strongly praised; on the success of it hangs the question of national reconstruction. China's constructive programme would be mere air castles should the people continue to allow over eighty per cent of the national revenue to be spent on the army. At this time when the nation's credit abroad is not such as to enable us to borrow liberally for purposes of reconstruction, the only alternative open to us is to raise the needed amount at home by cutting down military expense to the lowest point possible. President Chiang Kai-shek on December 10 in a speech at the Central Party Headquaters said, "With over eighty per cent of the national revenue being spent on the army, it is idle to talk about construction."

No Foreign Loans at Present

Let us give up the idea of foreign loans for the time being at least, and face the facts squarely, recognizing the possibilities and impossibilities of the whole situation. The only way out seems to lie in the reduction and reorganization of the army, and this, it is gratifying to say, the Nationalist leaders have turned their attention to. Of course, it is useless to hide the facts of the case; suspicion and fear do exisit in the minds of certain men in the Nationalist camp. But this is not in the least true of the Model Governor. General Yen is more of a statesman than a warrior. He would be the last man to draw his sword at anybody, judging from his past record. In his last war against Fengtien, all the sympathy in the world there was, went with him; for that was simply an issue between the right and wrong, a question of leght versus darkness. We can not help congratulating the said conference in having General Yen as one of its participants, because we are confident that he has every determination and sincerity in cooperation with the other leaders to make the conference a genuine success.

General Yen is a committee member of the National Government and concurrently Minister of Interior. His reputation as a great adminstrator has been proverbial; the achievements made by him in Shansi in the field of local government, handling of the unemployment problem and a host of other things have always remained an example for the rest of the provinces throughout the nation. To all intents and purposes, his constructive programme was well in line with Dr. Sun's Fundamentals of National Reconstruction, although in its actual application, special adaptation has been frequently made to meet the local differences. It is hardly necessary to go at any considerable length into his administrative achievements during the past, since they have been too well known both abroad and at home. The National Government must be warmly congratulated for choosing as its Minister of Interior General Yen—a move, behind which lies a greater purpose than that of merely disposing political spoils among the victorious warriors commonly practised by the defunct Peking Government.

The Personal Factor

Of the political axiom that no political stability will be possible when too much importance is attached to individual leadership, we are not unaware. But in a country like China where government by man has been the rule rather than the exception and the people's educational standard has not been such as to be capable of a free and wholesome expression of public opinions without the attendant danger of petty political tyrants and demagogues, the personal factor continues to be of great importance in Chinese politics. While the ultimate purpose of the Kuomintang is towards constitutional government, the Tutelage Period will be devoted to the development of communications, unification of national finance, and most important of all, the education of the masses, thus paving the way for the healthy working of constitutional machinery, in name as well as in spirit. The Kuomintang will assume the role of guardian over the entire nation until the Tutelage Period is successfully passed. In view of the size of the country which is as big as a continent, and the divergent conditions, the problem of unification must be tackled with as much care as possible. Actualities must receive the first consideration; no attempt at high theories will avail anything.

The Good Results of Conferences

The gathering together of the leaders, military as well as civil in the capital can not but be a wise step in that direction. as they are in daily contact; exchange of views will be greatly facilitated and difference of opinions can be easily merged. A better outlook will grow up. Matters of vital importance will be settled in a round-table conference rather than by resorting to the sword. If China can manage for a brief period of ten years without civil wars, the country will *ipso facto* become unified, reconstruction work will be speeded up, and international relations will be put on an equitable basis. During this breathing spell, with war ruled out altogether, and the leaders being principally occupied with matters of reconstruction, the authorities at Nanking will be able to centralize all the power; and a modern Government will be founded which, in the end, will be the Government of the whole of China for good.

It goes almost without saying that there is much wisdom in bringing all the leaders to the new Capital inasmuch as unification and centralization constitutes the first and last question of the nation's politics. Rulers in history achieved unification by similar methods; Louis XIV, the Emperor Meiji and down to the recent Kemal Pasha, they all succeeded in their unification plans by briuging counts and daimyos and generals to the capital, or by sending them on important missions abroad. It is the wish of the people, therefore, that the leaders at Nanking from south, north, east and west will utilize their personal influence and power to the fullest extent.

Nanking, December 17, 1928.

Improving the Service on the Nanking and Hangchow Railways

The Ministry of Railways announces a number of improvements not only in the internal management of the Shanghai-Nanking railway and the Hangchow railway, but also in the public service. Under the old system of management, considerable "squeeze" occurred incidental to the supply of coal, with the result not only that the finances suffered, but the steam capacity of the locomotives suffered. The Ministry announces that it will make a determined effort to prevent the extortions which had been previously practised against the merchant who secured the contracts for the coal supply. The tenders in future will only be for a month's supply, and not for a year as previously. The calorific power of the coal shall not be less than 13,000 B. T. U. The two railways between them use about 300 tons per day.

The Ministry also announces that certain employees of the railway who had been caught smoking opium have been discharged. A decided improvement in the sanitary arrangements on the trains is also promised.

Henry Killam Murphy Will Draw Plans for Rebuilding of Nanking

The announcement was made recently that the National Government had engaged Henry K. Murphy, architect, of New York City, to draw up the plans for the rebuilding of Nanking as the new Capital of China and for the port development of Nanking. The engineering work of these plans is being entrusted to Ernest P. Goodrich, consulting engineer to the New York Regional Plan Commission. Mr. Murphy is at present in Europe where he is studying the plans of the principal cities, and is expected out here *via* Siberia early next year.

Mr. Murphy's connection with China dates from 1912 when he was engeged, (together with Richard Henry Dana, Jr., who until 1920 was in partnership with him under the name of Murphy and Dana,) to design a Chinese group of new buildings for Yale-in-China; and it was chiefly on account of this Yale work at Changsha that Mr. Murphy made his first visit, in 1914, to the Orient. During this visit Mr. Murphy was engaged to design the new buildings for the Boxer Indemnity Fund College at Peking; where he made his first studies, in the beautiful "Forbidden City", of what was later to become his life work—the revival of the ancient architecture of China into a living style by adapting it to meet the needs of modern scientific planning and construction.

During the next dozen years Murphy made five more visits to China, maintaining a branch office in Shanghai for the five years 1918—1923, and constructed a large number of buildings for commercial and educational institutions; among which were several more groups in adapted Chinese architecture—one of ten buildings at Nanking for Ginling College, of which seven have now been completed, and one of thirty buildings at Peiping for Yenching University, of which eighteen have now been completed. Shortly after his sixth trip to the Orient, two years ago, Mr. Murphy prepared an analysis of the essentials of the old Chinese architecture and of the methods he has worked out for its adaptation, as illustrated in these college groups for Ginling and Yenching, which was published in *Asia* magazine for June, 1928, under the title "An Architectural Renaissance in China."

In the planning of the new Nanking as the Capital City, as well as in the large group of buildings he is to design to house the Nationalist Government, Mr. Murphy will develop still further the possibilities of adapting Chinese architecture to modern requirements.

At Canton the work for which Messsrs Murphy and Goodrich have been engaged is the development of a modern and fully-equipped Port adequate to handle direct the vast volume of trans-oceanic shipments to and from South China which it has hitherto been necessary to trans-ship at the deep-water island-harbor of Hongkong. The work will include the deepening of Pearl River at several points in the eighty miles from its delta up to Canton, to increase the present minimum depth of about fifteen feet to approximately double that depth; the construction of large piers equipped with the most modern cargo-handling facilities; and the city-planning features required to bring the new port into the most economical and efficient relationship with the city proper some ten miles further up the river.

The estimated amount to be expended during the next five years in carrying out the improvements planned by Messrs Murphy and Goodrich at Canton and at Nanking is given as Gold $10,000,000 and $20,000,000 respectively, with at least an equal amount to be added during the following five years.

Mr. Murphy's Biography

Henry Killam Murphy, was born in New Haven, Connecticut, August 10, 1877, receiving his elementary education at Hopkins Grammar School, a private school for boys at New Haven, from 1891-95. He entered Yale University in 1895, from which he graduated in 1899 with the degree of B. A. He then took up a special course in mathematics, drawing and painting, at Yale Graduate School, in preparation for the profession of architecture. In 1900 he moved to New York city, which he has made his home ever since. From the year 1900 to 1905 he took special courses in the Columbia School of Architecture and became a member of the office staff of Joseph H. McGuire, Tracy & Swartwort, and Delano & Aldrich. In the following year he travelled throughout Europe, returning in 1906 when he opened an architect's office in his own name in New York, two years later taking into partnership Richard H. Dana, jr., forming the firm of Murphy and Dana, which continued until 1920. In 1911 he was engaged as architect for Yale-in-China. In 1912 he won the competition for a million dollar group of school buildings for the Loomis Institute, at Windsor, Connecticut. In 1913 he received the honorary degree of B. F. A. from Yale University, in recognition of achievements in architecture. He made his first visit to China in 1914. In 1916 he won three out of four first prizes and one second prize in a housing competition conducted by the

—*Lumiere Studio, New York*

Mr. Henry Killam Murphy

(*Continued on page 178*)

Gen. Chang Hui-chang Discusses Aviation Obstacles and Prospects in Present-Day China

The following exclusive interview with Gen. Chang Hui-chang, China's "Lindbergh" appeared in The Shanghai Times on Monday, Dec. 17. Gen. Chang and his associates hopped off aboard the "Spirit of Canton" for Canton on Monday morning, Dec. 17 and arrived safely at Canton on Tuesday, Dec. 18, having stopped at Nanchang over-night owing to bad weather.

General Chang, while expressing optimism regarding the use of aerial communications in China, pointed out that the time is far distant when commercial aviation will be a commonplace fact. He declared that most of the schemes hitherto propounded were impracticable, and that the chief difficulty in the way of aviation in China is the conservatism of the Chinese, especially the rich Chinese, who rarely show a keen interest in anything new.

General Chang advocates, as the preliminary steps to the establishment of air services in China, the exploitation of short services such as a Shanghai-Nanking line under Government subsidy.

General Chang added : "It is yet premature to talk about any real aviation project in China. The object of my nation-wide flight this time is simply to arouse the attention of our people to the possibilities of air communications, Our people are different in nature from those of the western nations. In Europe and America, men both rich and poor love adventure but here in China our people follow the motto of 'Safety First.' Our people are in many respects impulsive but would not do the thing themselves until others have done it and convinced them that it is safe.

Plenty of Enthusiasm

"Because of my flight over the country, I have been given a hearty welcome everywhere I stopped on my way and everybody talked of aeronautical developments and people in almost every city the Spirit of Canton stopped are talking of commercial aviation companies but where is, and what will be, the cargo for their planes and how will it pay they scarcely take into consideration. Unlike the wealthy people of the West, our rich men keep themselves indoors and are even afraid of accidents on the street when they walk with their own feet. How many of our rich men made use of the modern motor car a few years ago ? I am sure there are many even to-day who do not dare to travel in the motor vehicle for the fear of street accidents. It is not an entirely comfortable thing for a man to sit in an aeroplane and travel in it for several hours. Unlike a boat or a motor car, the aeroplane cannot stop in the air any time its pilot or passenger wants. It cannot land without a proper aerodrome. At the start of aviation service in China, it is certain that our rich men will not patronize it. On the other hand, the poor and medium class people can not afford the expense. Unlike conditions in Western nations, the time element is not of much consideration with the mass of the Chinese people, Unless air trips can be made very cheap and really cheap enough to be within reach of the financial strength of the mass of our people, the poor and middle class will not be able to patronize aviation communication for sometime to come.

Short Lines First

"What I believe would be the best for us to do for the time being is first to make experiments with short aviation lines at such places like Shanghai and Nanking, the former being the commercial metropolis of China and the latter the national capital. They are only a little over one hundred miles apart in a straight line which can be covered in an hour or so. The passenger therefore will not be tired during the flight over that distance and yet will enjoy the pleasure of covering the distance in one eighth the time required on a railway and onethirtieth the time required by a steamship on the river. There will always be enough valuable cargo for its freight which can much more advantageously be transported between Shanghai and Nanking. Even so, the company that runs these aeroplanes should be prepared to loose money for the first year or so until the general public in the country is convinced of the usefulness of the aeroplane and the safety and comfort in travelling with it, so that other more extensive projects may be attempted."

Scoffs At One Service

Asked about the reports in the Chinese Press about his interest in the project of a regular service between Shanghai and Canton as promoted by Mr. Yuan Chung-to, the author of the book "Ten years Aviation Development Plan for China," Gen. Chang stated that this, as well as a number of other projects reported to be under way in China to-day, are rather fantastic and inpractical. He was entertained by Mr. Yung the other day and was requested to endorse this project which is to raise a capital of $250,000 to buy four planes from America for regular service between Shanghai and Canton.

While Gen. Chang is naturally interested in aviation developments in any part of China and would be glad to give his moral support to them, he did not and does not believe that any elaborate project such as Mr. Yuan Chung-to's can succeed at the present time, at least not with only $250,000, since no reliable map of the land is available, no weather reports are in existence except in the treaty ports, no land signals have been established and no aerodrome has been constructed.

Government Support Needed

To make any commercial aviation project successful, it would be necessary for such trial fights over the country to be made as the *Spirit of Canton* has done in order to get to people sufficiently interested in it. The financial and economic conditions in the adjacent districts along the projected line of aviation must first be examined to see how much and what kind of freight will be available. Government support must be secured to help making its success possible and help it to overcome financial difficulties and losses until the thing itself pays. Air maps of the geographic conditions of the country must be taken for guidance of aviators and wireless equipment should be installed to facilitate weather and other necessary reports. Aerodromes and land signals should be established to enable uninterrupted communication in the air by day and night, in good weather and in bad. There is no use to start anything unless the promotors are willing and prepared to stand by it to make it successful. If a thing like commerical aviation between Shanghai and Canton is started with $250,000 and only four machines under the present circumstances, it is bound to fail and its failure will undoubtedly prevent other concerns from venturing anything of the sort for sometime.

Gen. Chang believes that in a thing like air communication in China the Government must take the lead. It is easier for the Government to do it and stand by it to make it successful than a group of individuals. In Canton for example, a project is now under way for a commercial service between Kwangtung and Kwangsi provinces and the Canton Government has the money to do it. There are 30 or 40 aeroplanes under the Aeronautic Bureau of Canton and an order has just been placed for ten more planes from the United States for training of pilots in Canton. The aviation acadamy of which Gen. Chang was Principal and Colonel Yang Bwan-yu is dean at the present, has 100 students most of whom can already fly. More young men will be trained for air service in South China.

Results Expected Soon

Gen. Chang believes that the aviation authorities of Nanking and Shanghai, men like Gen. Hsiung Ping and Gen. Chang Ching-yu, Directors of the Aviation Department of Ministry of War of the Central Government and the directors of the Central Aviation Association at Shanghai will soon launch something definite in the way of a commercial aviation service between Nanking and Shanghai and in the Yangtze valley.

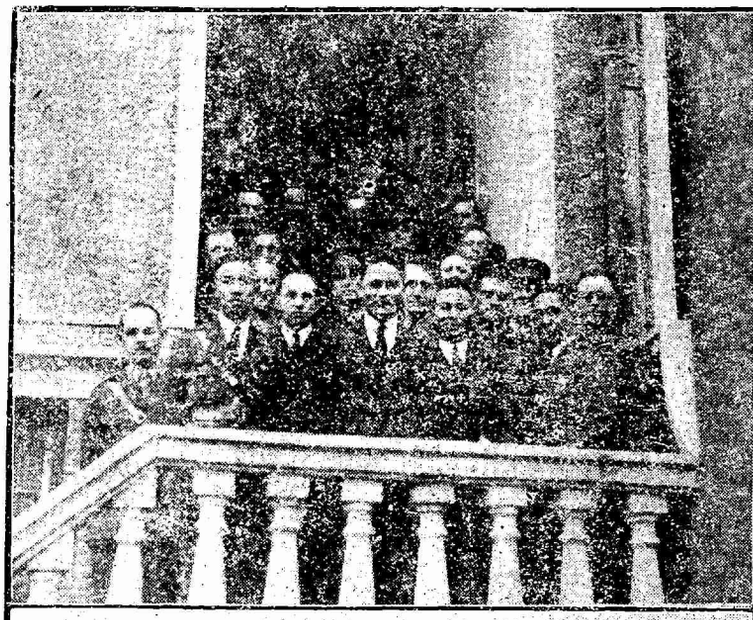
He also informed the representative of *The Shanghai Times* that the project under direction of Gen. Li Chung-jen and other commercial and government leaders in Hankow for a commercial service between Hankow and Canton is now in full swing and will probably to put into operation next year. There will be five aerodromes established at Hankow, Yochow, Changsha, Shiuchow and Canton. Some of the aeroplanes required for the service have already been purchased and with the Government behind it, Gen. Chang believes it will be a good thing since direct communication between Hankow and Canton has long be needed as the completion of the Canton-Hankow railway will take some time to accomplish.

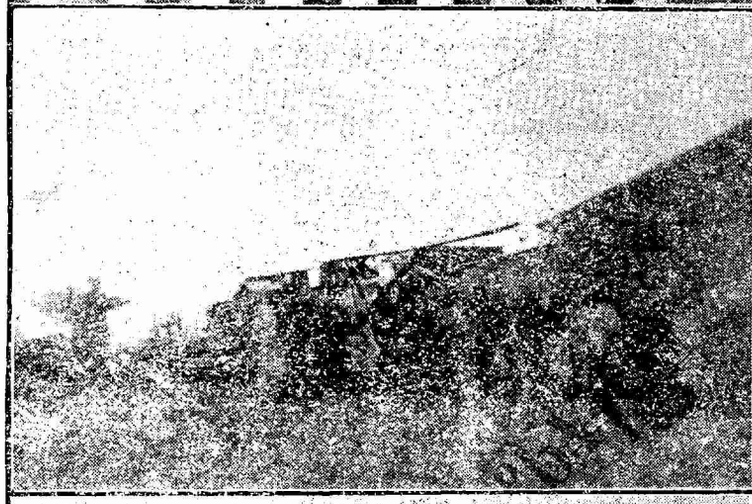
Two Pro-Japanese Chinese Officials Arrested at Mukden

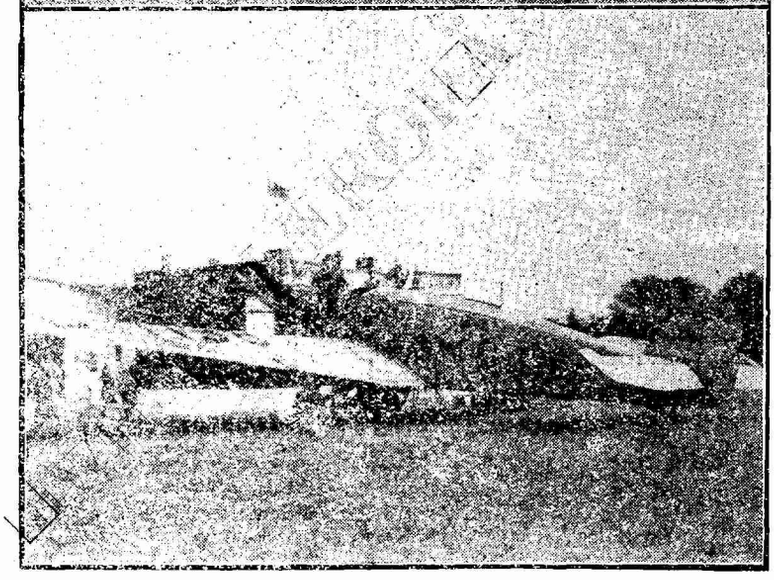
A recent *Toho* (Japanese) dispatch from Mukden stated that Tao Shang-ming, a Chinese official in Mukden friendly to the Japanese was arrested by order of the Mukden gendarmerie headquarters and his residence searched. Mr. An, chief of the Japanese bureau in the Foreign Commissioner's office at Mukden, who went to Japan to take part in the enthronement ceremonies, was also arrested and was subjected to rigid examination.

Another pro-Japanese official, Dr. Chao Chin-po, escaped to Japan over the Antung-Mukden railway, and Lin Wen-lung, secretary to Gen. Chang Hsiao-liang, took refuge in the South Manchuria railway hospital.

AVIATION IN CHINA MAKES RAPID STRIDES







Top Left—Picture taken at a reception given on December 7 by the officers of the Fourth Regiment, U. S. Marine Corps in Shanghai to Gen. Chang Hui-chang, the Chinese aviator who arrived here recently with the "Spirit of Canton" on a flying tour of China. Those in the picture (left to right) are Capt. Shepherd, Major Wang, Lt. Com. Vogelsong, Gen. Chang, Lt. Col. Kilgore, Col. Shen, Lt. Carlson, Major Yeung and Dr. Marvin.

Top Right—Gen. Chang Hui-Chang, the Chinese "Lindbergh" leaving the U. S. Fourth Regiment Officers Club, following a reception which was held in honor of the Chinese aviators in Shanghai on December 7.

Center—The "Spirit of Canton" in which Gen. Chang and his associates arrived in Shanghai recently on their tour of the country for the purpose of stimulating an interest in Chinese aviation. This is a "Ryan-Mahoney" plane, similar to Lindbergh's "Spirit of St. Louis."

Bottom—A picture of the "Europa" a modern type of German airplane which was used by Baron Heunefeld, the German aviator on his recent flight from Berlin to Tokyo. The picture was taken at Shanghai at the Hunjao Airdrome which is Shanghai's chief landing field.

Council of League of Nations to Discuss China

A cablegram from Geneva last week reported that political circles in Europe regard the League Council meeting to be held shortly at Lugano as of first-class importance and likely to yield as fruitful results as the famous Locarno conference of 1925 towards settlement of questions affecting Germany and the Allies.

According to the *Kuo Min* news agency, the Lugano meeting is also likely to have considerable bearing on the Far Eastern situation, especially as affecting China. It is reported that the Japanese ambassador, Mr. Adachi, has received instructions from Premier Baron Tanaka to explain to the representatives of the European Powers the reason for the interruption of the Sino-Japanese negotiations, and to enquire whether the Powers will join Japan in common action to oppose China's determination to enforce tariff autonomy. Failing to secure united action, the Japanese Ambassador is instructed to propose conditions before making concession to China or recognizing the new tariff recently promulgated by Nanking.

The Bureau of Trade Marks

BY EDWARD Y. K. KWONG

Exit: The National Bureau of Registration.
Enter: The Bureau of Trade Marks.

December 21, 1928, marked the date that the above transition took place. So the National Bureau of Registration will hereafter pass into oblivion and in its place will function the Bureau of Trade Marks. It will be remembered that the National Bureau of Registration came into existence last October through an enactment of the Nationalist Government. It was empowered with the functions of registering corporations, firm names, trade marks and mines and was at first under the control of the Ministry of Finance. Later on, it was transferred to the joint control of the Ministry of Industry, Commerce and Labor and the Ministry of Agriculture and Mining. Under this double supervision, it had functioned very well until very recently when another enactment converted it to be the Bureau of Trade Marks. The latter bears close resemblance to the bureau of the same appellation in the former Peking government and is not so inclusive in its powers as the National Bureau of Registration, being relieved of the functions of registering firms names, corporations and mines.

The transformation, being an internal problem, has little effect on the outside world. But hereafter the Bureau of Trade Marks will be under the also supervision of the Ministry of Industry, Commerce and Labor. Inasmuch as combined action on the part of the two ministries always involved loss of time, the present arrangement tends to point to greater efficiency in management. Other arrangements which would probably facilitate the different kinds of registration work is the fact that the functions of the former Bureau of Registration have been distributed to a number of agencies. The registration of corporations was assigned to the Ministry of Industry, Commerce and Labor and that of the mines, to the Ministry of Agriculture and Mining. While it has not yet been certain as to what branch of government authority the registration of firm names shall belong, signs tend to show that it will be the function of local government.

The Spirit of a New Government

It will be well worth while at this juncture to pass a short review of the work of the Bureau of Registration and note its success or failure with the idea as to forecast the future working of the Bureau of Trade Marks. In the two months immediately before its reorganization, the National Bureau of Registration had gained momentum in its work and was working with an efficiency never before attained. From the end of September to the beginning of this month, in a period of about two months, the total number of trade mark certificates issued was 1196. Comparing with previous records, the present average per month is about twice what it used to be.

During the same period, the registration of corporations and firm names also showed a great gain in speed and satisfaction. At the times of reorganization, the Bureau of Registration was issuing three kinds of publications—two in Chinese and one in English.

The time limit set for the re-registration of the former Peking trade marks happened to fall due on October 18, 1928. This limit, though subsequently extended, was, before the extension, instrumental in causing the merchants to send in their flood of applications. The abnormal increase in applications was handled with a great speed. Many of the staff members volunteered to work extra hours in order to expedite the work. November is a clod month and eleven o'clock is a late hour in Nanking. At this time of development of the capital, office equipments and other things can not be too comfortable either. But what are all these to a faithful worker! "What you can do to-day, never leave till to-morrow" was the motto. So, late at night, some of the staff members were found still working in a cold room ill-illuminated with candles and kerosene lamps. Here they remained, busily occupied, till eleven o'clock when they began to drag their weary way homeward through the hard and deserted streets of the new capital. Yet they were doing this without any coercion or inducement. A great deal has been said by the reactionary elements against the existing government as if nothing good can be expected of it. But after a few week's stay in Nanking and saw what I have since seen—the working of this Bureau for instance—I am thoroughly convinced that a new spirit has entered into the government—a spirit characterized by a willingness to work for the good of the country. It reminds me of the time when the Bureau of Trade Marks was first started in Peking, it was objected by the representatives from the other countries on the ground that it would not work under the supervision of a Chinese personnel. They proposed to place it under foreign supervision as the Chinese Customs and the Post Office. But after it had been in operation for a few years, even the most recalcitrant objector had to keep his mouth shut. It shows how foolish people could be when an undue amount of self-appreciation get the best of them.

The Working of the Present Chinese Trade Mark Law

There are two widely different systems of trade mark laws in use. One system recognizes the first adopter. This is the system that is in vogue in the U. S. A., Great Britain and some of the European countries. The other system recognizes the first registrant. Thus the original owner of the trade mark may be deprived of the use of the mark he invented. Japan and some of the South American countries follow this system. In actual practice there is little choice between the one or the other with exception of the fact that one system may tend to promote home industry while the other does not. The first Chinese Trade Mark Law was promulated in the 29th year of Emperor Kuang Hsu (1902). It was vehemently attacked by the representatives of foreign countries, because they were afraid that the law might work against the interest of their own nationals. The objection of the foreign envoys was so strong that the law was not put into operation until 1912 after it had been greatly modified to suit the taste of the foreigners. Article 3 of the former Trade Mark Law (which is followed by the present Law) declared the first user to be the rightful owner of the trade mark rights when they were in dispute. Remembering that the Chinese industry is still in its infancy and that many of the native products may have to get a start by imitating the imported goods, this clause of the trade mark law, while affording protection to foreigners, is working unusual hardship on home industries by cutting off the way of imitation. By imitation, I do not mean the outright copying of the label designs, the illicit use of the competitor's firm names, etc.; but the adoption of ideas, the imitation of packages and containers will always prove helpful to the beginner. Still if this law was adopted by our own free will, it would not be quite as objectionable. But with the history behind it, we can only regard it was one of the by-products of foreign aggression and should have it remodelled as soon as chances allow.

When To Register.

Ordinarily, for a man who wants his mark to be registered all he has to do is to file an application blank with the requisite amount of fees and ten samples and a block. In the case of a foreigner, he has to furnish a certificate of nationality and other identification papers in addition to the above requisites. But that is the ordinary procedure. Many a time a great deal of complicacies is experienced by the applicant. Take for instance the case of Mr. A, a tobacco merchant, who intended to introduce a new brand of cigarettes into the market. Confiding his intention to Mr. B, an artist, Mr. A asked B to draw up a label design for him—not forgetting to hint that he wanted sex appeal to be the theme. Whereupon Mr. B drew with the best of his skill the picture of a young lady which unfortunately bore resemblance to a well-known registered mark in the neighboring town. The owner did not know this and sent the picture to the printer's and called his brand "The Most Beautiful Girl"—the other one being "The Beautiful Girl!" A big advertising campaign was launched upon and, after a while, Mr. A who saw that his business was getting more and more prosperous everyday, began to feel uneasy and sent his mark to be registered. Upon examination, the Bureau found that his mark bore close resemblance to the mark previously registered, therefore, refused its registration. At the same time, the sale of A's cigarettes had crept into the territory of the other merchant and brought consternation to the latter who immediately started suit against A and asked for an injunction to stop the further selling of "The Most Beautiful Girl" cigarettes. His plea was granted and Mr. A suffered a heavy loss, evidently through no fault of his own. Now if A had known it before, he would have sent his mark to the Bureau to be registered at the very beginning. He might be refused registration, but he could easily choose another mark that was registrable and would have saved himself from the heavy losses he subsequently sustained.

When Ample Protection is Desired.

Trade mark imitation is no special vice of the Chinese people. But owing to the pecular political conditions around this part of the world and due to the existence of extra-territoriality which affords ample protection to trade mark imitators that hails from some of the privileged countries, the enforcement of the trade mark law is made very difficult. Goods of a well-known brand belonging to the nationals of one country are imitated by those of another country and are imported into China. In many of the treaty ports, Chinese authorities could not interfere with the handling and trans-shipping of these imitation goods. Hence trade mark imitation is encouraged to a degree that is not dreamed of in other countries and has been so skilfully worked out as to defy description. However, the authorities have taken notice of the vice prevailing and are bent on its suppression. Trade

(*Continued on page 170*)

Destitution Among Russians in China

As reported in The Review at the time, upon the occasion of Albert Thomas' (Representative of International Labor Office, Geneva) visit to Shanghai two weeks ago some well-known Russians here presented him with a report on the position of indigent Russians in this country and a proposal for organized effort in assisting their migration elsewhere. A translation of this document, which is of interest to all Chinese and foreigners who recognize the serious problems involved in the existence of these thousands of destitute Europeans here, is given below:

"The special conditions of Shanghai, and the position of manual laborers in China in general with the extremely low wage of the Chinese worker, make impossible the decent existence in Shanghai of a European of small means, particularly laborers.

"This is recognized by the local foreign municipal bodies, which set the salaries of their European employees not only considerably higher than in Europe, but on an altogether different level than for Chinese.

"Municipal figures give the salary of a Municipal schoolteacher (foreign) at Mex. $5,000, a police sergeant at Mex. $3,500, a Municipal hospital nurse at $1,680. A Chinese teacher in the Municipal schools receives $1,120 (one-fourth of what a European receives), a Chinese police sergeant receives $328 (one-tenth of the European's wage), etc.

"This corresponds to the actual condition that in Shanghai life is adapted to a cheaper rate for the natives than for the temporary foreign dwellers.

Position of Russians

"The position is quite different among the Russians, where only some have obtained employment as clerks in foreign shops and offices; others as officers on Chinese steamers, clerks in the Chinese post-office, Customs, etc. Many Russians serve in the police forces of the French Concession and the International Settlement as constables (at low salaries), and also many serve as watchmen in banks and other institutions at Mex. $60 per month, in private houses at $30 or $40, as private bodyguards for wealthy Chinese at about Mex. $50 and (Chinese) food and lodging, also uniform.

"Besides this many Russians have only day work, such as guarding cargo on the wharves. This care of cargo is given out by the steamship company to Indians, who are allowed Mex. $3 daily (during the period of loading and unloading) for watching. These Indians employ Russians, paying them Mex. $1 for twelve hours. This work is irregular, depending upon the arrival of steamers, and pays not more than Mex. $15 monthly.

"A smaller number (about 2,000) work as chauffeurs, at a wage of $40 to $60 monthly, as carpenters, painters, houseboys at from $15 to $60 depending not so much upon experience as upon the employer (Russian employers pay less than other foreigners). A lesser number of Russians work as clerks in Russian shops, and as cooks and dishwashers in Russian restaurants at $15 to $30 monthly.

"The only category of Russian emigrants who are comparatively well paid are the musicians. Some of these, playing in the municipal orchestra and in the firstclass hotels and cafes, earn Mex. $400 monthly. Others, playing in the many bars and dancing halls, earn from Mex. $100 to Mex. $200 monthly.

Dancing Girls

"A considerable part of the Russian colony in Shanghai, perhaps one-third of the whole, lives on the earnings of women who work in the local bars and dancing halls. About a thousand Russian women are employed in these places down to ordinary sailor resorts. Their legitimate income ranges from $50 to $150 monthly. A part of them work on contract. Actual salaries are low, averaging $40 to $50; the remainder must be obtained from customers.

"The woman must be at work at 9 p.m. (a fine for absence, for which illness is no excuse). Her duties are to dance with every customer purchasing "dance tickets." For each dance she receives from her customer a ticket, on which the cashier pays her half its value upon presentation,*—not more than 25 or 50 cents Mex. depending on the place; i. e., for ten dances she may earn from $2.50 to $5.00. It is expected that she will induce her customer to order drinks,—as many as possible. In most places she receives a definite commission on these drinks.

"Women in bars and dance-halls must have an adequate supply of dresses and good shoes, and frequently their legitimate earnings are insufficient. It may be said with regard to the rights of these women, that they have none. It is considered quite unnecessary to extend them any protection. It should be added that most women working in bars and dance-halls support relatives, children, frequently a husband, sometimes a whole family.

"There are about 250 women employed as saleswomen in Russian and other foreign shops, the salaries in the latter establishments being $50 to $75 per month, and in the former from $30.

The Unemployed

"Finally, there is the category of Shanghai Russians in still worse circumstances than other emigrants,—the unemployed. Many sleep on tug-boats or barges, leaving them at 4 or 5 a.m. Previously they went to the public parks, but there is now an admission charge shutting them out. An unemployed man cannot stop and sit down on the street, as a European policeman may suspect him of begging and put him under arrest,—and then to jail. Begging is punished, but these destitute men have no other recourse.

"They cannot obtain employment. Dirty and ragged, people avoid them. Russian charitable organizations give a little temporary relief at times. The lodging-house takes in men for a limited time, as there are many Russians wishing to break rock in exchange for breakfast, dinner, supper, and a clean bed.

"The cold in Shanghai is not extreme, but at least one unemployed Russian froze to death here last winter.* Cold, hungry, hopeless, many turn to drinking Chinese vodka,—obtainable for a copper. Some beg, land in jail, and stay there for longer and longer terms.

"The mortality among them is very high.

Soldiers and Strikebreakers

"The difficulty of finding work pushed the unemployed into the ranks of the Chinese generals (especially as this was looked upon as a continuation of the war against the Bolsheviks), or to await the good fortune of a strike by Chinese workers. In 1925, at the time of a big strike, 1,500 Russians obtained work as strikebreakers, mainly as sailors on British boats, longshoremen, firemen, oilers, etc., and also at the electric and power stations.

"The daily wage was set at $3 for skilled workers, and $4 to $7 for foremen and overseers,—i. e., at only two or two and a half times the wage of a Chinese worker in normal times. At the end of the strike the Russians were dismissed without previous notice or any compensation in lieu of same. As a safeguard in case of another strike, however, 110 Russians were retained at the electric station as firemen, oilers, and beltmen, at $90 per month.

"In the 1928 strike at the British-American Tobacco Company more than 200 Russians were hired (as dock workers) through the emigrants' committee, at $3 a day. Two months later they were dismissed, upon termination of the strike.

"The work of Russians in Chinese strikes has created a hostile attitude toward them from the Chinese. As a result there are cases where Chinese workers have demanded the dismissal of Russian workers, threatening a strike in case of refusal, as for example in the case of the Sassoon building recently, where the Chinese workers secured the dismissal of the Russian overseers who had been employed.

"Cases of assault upon Russians by Chinese are not infrequent. On February 28th this year a number of Chinese workers at a shipbuilding plant here fell upon two Russian watchmen, Lukoyanov and Lubtchenko, with clubs, knives, and hatchets. Lukoyanov received four fractures in the skull, four knife-wounds in the legs and a few in the back, and recovered only due to exceptional vitality. Lubtchenko succeeded in escaping with only a hatchet-wound in his back. The collision followed the attempt by the Russians to fulfil their duties in preventing petty thefts.

"It should be noted that the Russians are unarmed, and that Chinese watchmen, both in the case cited and in others, remain neutral, while the Europeans in the offices are in no hurry to interfere.

"One incident that may be cited was in connection with the unloading of a German ship, where the Tartar watchman was beaten nearly to death by Chinese deck-workers whom he caught pilfering. The steamship men gave no assistance to the victim.

"The risk of being killed obliged the Russians to refuse the work of watching the warehouses of the British-American Tobacco Company.

Living Conditions

"In estimating the condition of Russian emigrants in Shanghai, it is usual to consider as 'making a living' all who receive salary or wages. This however does not correspond to the facts. It is impossible to classify as 'making a living' Russians who receive $30, and even $50. The latter sum is sufficient for a single person for the bare necessities of life, but families live in semi-starvation. A correspondent writes that his family of four persons cannot spend more than 80 cents a day for food. There are many such among the workers, who

* The percentage as well as the amount varies in different places.—Tr.

* At least six, according to another report. This winter one death has already been reported.—Tr.

throughout the month never have a meal, substituting for it tea and bread. They shelter in little rooms usually intended for kitchens, with cement floors and with windows looking out onto a dirty alley,-damp and cold (unheated.) In such a room, from six to nine square yards in size, live two, three, or four Russians.

"The *outer* prosperity of many of the clerical employees among the emigrants receiving low salaries, rests upon their big indebtedness to supplying shops. Russian papers recently stated that the chronic indebtedness of purchasers at four or five shops amounted to some $2,500.

"The difficult situation of Russian emigrants in Shanghai is intensified by the fact that the local municipalities in no way serve those needs which such bodies usually serve. In one of the letters to the Committee for the Defence of Russian Rights and Interests, Secretary Edwards of the Shanghai Municipal Council stated that the Taxpayers' Meeting had more than once expressed itself against the Municipality taking upon itself the care of impoverished Europeans. In the Municipal Report for 1923 (p. 180) it is stated clearly that the Municipal Council has not taken upon itself the responsibility of supplying elementary education to the children of taxpayers. The Municipality considers that it fulfils its responsibilities to the extent that it gives the opportunity for the children of taxpayers to attend (i. e., opening schools), and nothing more is to be required of it, as Shanghai is not a colony but an international port.

"Neither the International Settlement nor the French Concession municipality has either free schools or hospitals, or even cheap ones. A primary school with fees of from $120 to $150 yearly cannot be considered cheap. Medical treatment is obtainable at a rate at the hospital general ward of $3 or $4, without physician's fees or medicine. The municipality maintains neither free lodging houses, nor free maternity wards, nor free soup-houses or kitchens. Only the fear of epidemics, especially dangerous in the neighborhood of a dense Chinese population, has obliged the municipality to make some expenditures on the maintenance of an isolation hospital.

No Labor Protection

"The lack of written conditions of employment leaves Russian workers and clerical employees at the mercy of employers. A number of Russians were employed recently at a sawmill. It was stipulated verbally that the working day must not be more than eight hours. In case it was necessary to work longer the workers must be paid overtime. In fact, however, after their service began the employers began to lengthen out the work, and sometimes it was necessary to work twelve hours for the same pay. When the workers protested and demanded pay for their hours of overtime, the employers dismissed the Russians without any pay whatsoever.

"It frequently happens that Russians, employed by the month, are dismissed in the middle of the month without the two weeks notice customary here in Shanghai.

"The emancipation of the Chinese threatens to seriously worsen the position of the Russians. They will be dismissed at once, and replaced by Chinese. So at the present time, on the steamships of Chinese companies the Russian officers are being replaced by Chinese. The same applies to the customs, post-office, and other places. Besides this, with the years the Russians are threatened with the loss of their livelihood through old age, against which there is no pension or insurance.

"The Russian women working in the bars are faced with the possibility of ending their days in the wretched slums of the Far East.

"There are few who are interested in and conscious of the serious situation of Russians in Shanghai. On the contrary, many Russian 'political' figures, in furtherance of their schemes, consider it useful that the emigrants remain in China.

Organization for Assistance

"These circumstances induce the one who has drawn up this statement, as a former member of the Petrograd City Council in the first municipal government elected there by universal suffrage, to raise the question of the organization in Shanghai of an international committee for the sending of Russian emigrants to other countries. In Shanghai there has already been such an organization, which has assisted the evacuation from here of two corps of cadets. The Committee for the Help of War Orphans, by means of a lottery, obtained more than Mex. $100,000 for the support, aud then for the evacuation of these corps.

"The situation of Russians in Shanghai, and in China in general, may be compared with that in Constantinople, where this question of the emigration of Russians further was decided with the assistance of a number of organizations, including American. According to one of the decisions of the corresponding section of the League of Nations, interested states are recommended to take part in the financing, as outlined by Dr. Nansen.

"According to newspaper reports, at the time of the discussion of this question at the Conference (June 1927) the difficult situation of Russians in Shanghai was pointed out. Upon the remarks of certain delegates that Russian refugees did not wish to migrate to South America the head of the Refugee Section, Mayor Jenson, presented a number of urgent appeals from Russians in China, and gave information of the growth of unemployment among Russians in Shanghai.

"The Chinese Government is undoubtedly interested in the migration from Shanghai of at least the unemployed part of Russian emigrants, and therefore as an exception could permit the creation of a lottery the income from which would go to the organization of Russian migration from Shanghai. There must be organized. from among those acquainted with the previous migration of Russian emigrants in Shanghai, as in Constantinople, a Committee for the purpose of finding ways and means for the transportation of Russians from Shanghai,—a Committee under the chairmanship of a representative of the International Labor Bureau, and with the participation of representatives of the Chinese Government, of the local Municipalities, of the local charitable organizations, of the consulates interested, and with representatives of Russian organizations with a voice if no vote.

Work of Committee

"The assistance of the Committee may be obtained by Russians arriving in Shanghai not later than 1926, who form groups on the basis of full moral and material responsibility for their members.

"The Committee shall give the following assistance: 1st, issuance of a loan for the journey under contract for labor, with the condition of payment of half the cost of the trip by the emigrant himself, to be completed within two years; 2nd, issuance of a deposit for the acquiring of a piece of land in a district of group settling, on the security of the piece of land and the responsibility of members of the group,-the advance to be completely repaid within five years; 3rd, supplying with tools and supplies for production, upon the security of same and the guarantee of the group, debt to be liquidated within five years.

"Advances for land and equipment shall be given only to those migrants who have done agricultural work in the country of immigration not less than a year. Families and producers' co-operatives (artels) shall receive preference over single applicants.

"Advances on sections of land must not exceed $750 for any economic unit.

"Settlers who abandon agricultural work in less than two years, or who appear as dangerous for the country of immigration, are subject to retransportation to Shanghai at the expense of the group.

"The funds received in liquidation of advances made, shall be expended on the further migration of Russians from here.

"The fund for the transportation and equipping of migrants to new points amounts to some Mex. $200,000, in round figures (400 x 100 half-tickets, plus $750 x 200 economic units)."

Japanese Steamship Company Refuses Third-Class Tickets to Russians Now

The difficulties in the way of Russians leaving China for shores where there is a better cha ce of earning a decent living are considerably increased by the recent refusal, as reported in the local Russian paper *Shanghai Zarya*, of the Nippon Yusen Kaisha to sell third-class tickets on their steamers to South American ports to Russians.

A number of Russians have been emigrating to South American countries which are not over-populated and welcome immigrant who are willing to work for their living, Uruguay being one of these states, the only thing required here being a police certificate of good behavior and a medical certificate of good health. Soviet citizens are admitted in the same way as other nationals, and as non-Soviet Russians. There are already considerable numbers of Russians and Russian Jews in the country.

The *Shanghai Zarya* states that the new ruling of the Nippon Yusen Kaisha was first learned last month, when five families from Harbin, having obtained visas from the Uruguaian Consul, received word in Harbin that the N. Y. K., which maintains passenger service with South American ports, had stopped the sale of third-class tickets to Europeans. The *Zarya* continues:

"As there is no second class on these steamers, the emigrants are obliged to buy first-class tickets. It is evident that most of the emigrants cannot afford this. Owing to this order of the Company the emigrants to South America must go by a circuitous route and pay much more for the passage."

The Pressing Problem of Reconstruction

BY SUN FO,*
National Minister of Railways

The problems of reconstruction in China are twofold: Political and economic. Politically, our problem is to establish a modern, democratic State. As you all recognize, China today is still far from being a modern and a democratic State. With a total area greater than the United States, with a population almost four times as numerous, approximately 85% of whom are still illiterate, it is manifestly impossible to establish democratic political institutions as understood in the West. After centuries of neglect on the part of the Central Government, and with only primitive means of communications and livelihood, it is also manifestly impossible to transform China from a mediaeval, backward country to a full-fledged modern State all at once.

As far back as forty years ago, it has been recognized although only by a very few intelligent forward-looking leaders, that China must modernize herself in order to maintain her existence as an independent nation. Up to twenty years ago before the inauguration of the Republic, the political problem facing the country was how to overthrow the decadent Manchu Dynasty in order to eliminate the greatest obstacle to political development of the Chinese people. That problem was partially solved in 1911-1912 by a national Revolution which ended the Imperial Regime.

But the first Revolution was not strong enough and well organized enough to achieve its great political objective: the foundation of a modern, democratic, constitutional State. The old regime persisted in its reactionary obstruction to our national development in the form of the rotten mandarinate, and the rapacious and inhuman Tuchun system. So up to a year ago our main political problem was how to suppress the feudalistic militarism that kept the country divided and the people oppressed, and how to bring home the national Revolution, so that there may be peace and unity which are the fundamental factors for national development.

Peace and Unity

Today the whole of China Proper is beginning to enjoy peace and unity under the political leadership of the Kuomintang and under the orders of the National Government.

What is then the fundamental political problem facing the Kuomintang and the National Government today? The question is still how to develop China into a modern, democratic State. To solve this problem intelligently, the Kuomintang, through the teachings of its late leader, Dr. Sun Yat-sen, has evolved a new political philosophy. Dr. Sun Yat-sen has divided the political problem into two parts, namely, the problem of political power which inherently belongs to the people, and the problem of effective and good government. As the masses of our people are still illiterate and unfamiliar with the forms and methods of political democracy, somebody must be found, who will honestly organize them and lead them to participate in the exercise of their inherent political power. That function has been assumed by the Kuomintang, as the historical organizer and leader of the National Revolutionary Movement.

The Kuomintang organizationally embodies the most politically and most nationally-minded group of the nation. As the government of every modern country is controlled and directed only by that portion of the people who are most interested and active in politics, it is but natural that the Kuomintang, representing the same group in China, should become the sole controlling and directing influence in the affairs of the nation. But one point should be made clear at this juncture: that is, the Kuomintang, unlike political parties in the West, represent national interests and national aspirations as a whole, but does not represent the interests and aspirations of any single economic class in the country. It is the fundamental aim of the Kuomintang to prepare the nation for full democracy through temporary exercise of national, political power.

The fundamental political problem in China today then is how to prepare and organize the people for democratic, self-government. This is not an easy problem to tackle. It may require years and decades of slow, political evolution before the problem can be finally solved. But given peace and stability and ordered progress we are convinced that China as a modern, democratic State, is within the realms of possibility.

*This article was delivered in the form of an address by Mr. Sun Fo at the annual dinner of the American University Club, Shanghai, on Saturday evening, Dec. 15 at the American Club.

As to the problem of establishing good and effective government to administer the public affairs of the country, the Kuomintang believes in the five power constitution, as theoretically formulated by Dr. Sun Yat-sen. This new system of government, the beginning of which has been made by the adoption of the five Yuan system in the National Government, embodies the good points found in the old Chinese system of administration and the political forms worked out in the West. In the ancient system of government in China, Dr. Sun Yat-Sen discovered that the constitution is divided into three powers, namely, the imperial power, the censorship power, and the examination power. Under the imperial power are included the executive, legislative, and judicial powers. Thus under the old Chinese system the Emperor was at the same time the supreme lawgiver, the highest judge, as well as the chief executive of the nation. Then he had the Board of Censors who exercised the functions of administrative control through bold criticism and rigid censorship of all officials and official actions including the Emperor himself. The Board of Examination was constituted for the purpose of selecting the best personnel to be available for appointment for the official posts throughout the Empire. In its vigorous youth this ancient system, for a time at least, did give China good and effective government, as for instance, during the glorious period of the Tangs.

In the West, as we know, governmental functions are usually divided into three branches, the executive, the legislative, and the judicial.

The Five-Power Constitution

The five power constitution divides the old imperial power into their component parts, besides retaining the censorship and the examination as separate functions to be exercised by independent organs. The present five Yuan system is therefore, an attempt to work out the new system in concrete form.

What I have spoken of may seem a little too theoretical and historical. Coming to our immediate political problems, the National Government is convening a high military conference for the purpose of working out a practical and effective scheme to solve the most urgent problem of the day: the demobilization and reduction of our standing armed forces. The present military establishment in the various provinces under the National Government (not including the three Eastern Provinces of Manchuria) is estimated to be 1,200,000 or approximately 80 divisions of 15,000 men each. The task before the military conference is to reduce this figure down to 450,000 men at the minimum or say to 750,000 men at the maximum. The solution of this immediate political problem will pave the way toward financial rehabilitation and hastening the work of national reconstruction. As all our military leaders are convinced of the urgency of this problem and as the whole nation is unanimous in support of this idea of military reduction, there is every reason to expect that the forthcoming conference will be successful.

The other phase of our problem of reconstruction has to do with the economic needs of the people. The problem, in other words, is how to improve the living conditions of the people and at least to give them a fair chance to make a decent living. The only solution to our economic problem is industrialization, industrialization on a large scale and to be effected within a reasonable period of time.

Industrially China is more than a hundred years behind Japan. Because of our economic and industrial backwardness there is an enormous waste of man power and an untold amount of human sufferings which are economically preventable. This prevention of waste and suffering can be brought about only by equipping ourselves with the machinery, organization and methods of Western Industrialism. The problem then is how to achieve industrialization on the largest possible scale, with the least avoidable delay, and without, so far as possible, committing the mistakes made by Western industrial countries.

The Class Struggle

In every industrial State there is the problem of capital and labor, crystallized in the form of the class struggle. China is not yet an industrialized country. We are only beginning to adopt industrialism. How may we avoid the pitfalls of such industrialism? That is the problem of vital concern to our future development. In the Three Principles of the People, Dr. Sun Yat-sen has formulated what is known as the Min-Seng Chu-I, which advocates large scale industrialization through government enterprises and the equitable taxation of land values as a method to prevent the evil effects of industrialization. The Min-Seng Chu-I is yet to be tested before its effectiveness in avoiding the class struggle can be determined.

Coming nearer home, our immediate economic need is in financial rehabilitation including the abolition of Likin and

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British Chamber and China Association Give Dinner to Chinese Officials

Dr C. T. Wang, Minister of Foreign Affairs, and Dr. H. H. Kung, Minister of Industry, Commerce and Labor, were entertained to dinner December 13 at the Shanghai Club by the British Chamber of Commerce and the China Association. T. V. Soong, the Minister of Finance, had been invited, but was unable to attend owing to illness. Calder Marshall, chairman of the British Chamber of Commerce, proposed the health of the guests. Dr. Wang and Dr. Kung both made short addresses at the dinner, excerpts of which appear below.

DR. C. T. WANG'S ADDRESS

I am much honored by the invitation of your Chamber and Association to meet you here to-night. In response to your request that I should say a few words on this occasion, I can do no better than to express at the outset my appreciation of the spirit that animates this gathering—a spirit, as I interpret it, which seeks a better understanding of China so that Sino-British relationship may continue to be improved.

The lack of thorough understanding of each other has been the cause of many frictions in the past, but experience is guiding both of us to the path of that normal and equitable relationship and co-operation which should have existed long since between the two nations. The series of incidents during the years of 1925-1927 were indeed unfortunate. But however much both sides then suffered, those times became the forerunner of a better understanding that might not have been possible otherwise.

Changed Attitude Towards Britain

If the Chinese people are quick to resent unjust or intolerant treatment, they are just as quick to respond to gestures of friendship. The British declarations of December, 1926, and January, 1927, although failing at the time to dissipate the apprehensions lingering in the mind of the Chinese people, have gradually changed their attitude towards Great Britain.

The National Government regard the trying times that existed between Great Britain and China as now over. In addition to our programme of internal reconstruction, we wish to carry out a programme of international co-operation—co-operation with all those countries which are sympathetic to our legitimate national aspirations.

In a country with a past like that of China, and which politically is slowly changing to its foundations, the man who expects an absence of anomalies, or instability and uncertainty to a certain extent—well, he has not read history.

Almost more than any other of the kindly qualities, China these days needs forbearance on the part of her critics; she also needs understanding.

The Present Situation

The immediate future of China depends a good deal upon the recent and present negotiations with the Powers. In this respect I feel assured that the honored nation you, my hosts, represent will not lend its support—directly or indirectly—to any moves which any other quarter may make to prevent China from working out her own destiny—moves calculated to disintegrate China politically or to secure a continuance of the state of instability and uncertainty from which China is emerging.

In this connection I would remind you that as long ago as 1898 the Duke of Devonshire, then Minister for Foreign Affairs, pointed out that Britain's main interests in China were her commercial interests and that any attempt on the part of other nations to establish in China spheres of influence where principles of commercial exclusion might be set up would be opposed by Britain to the utmost. In view of the liberal re-orientation of Britain's foreign outlook since the War and recent statements made by British statesmen, I feel confident that Britain to-day more than ever stands by that policy. Therefore, it is expected that she would never lend her support or even condonation, to policies in any quarter which would seek to secure those things which the Duke of Devonshire pledged Britain to oppose. Furthermore, to afford an opportunity for even the impression to prevail here that Britain is lending support or condonation in that respect would bring about apprehensions which we should all try to prevent from arising in the mind of the Chinese people.

I need hardly remark how greatly appreciated by my government were the remarks of your King, your Prime Minister, and your Foreign Minister recently concerning China. I am sure, if I may add here, that I am speaking for all of you here and the Chinese people that we all earnestly pray for the speedy recovery to health of His Majesty, your King.

It is common knowledge that your Government nowadays is unusually well informed on all matters in the Far East, and, therefore your Ruler's friendly gesture, Mr. Baldwin's frank expression of Britain's desire to take all practicable measures

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DR. H. H. KUNG'S ADDRESS

I wish to express my keen appreciation for the honor you have extended to me and to my colleagues and the opportunity of meeting you in this delightful atmosphere. As the Minister of Industry, Commerce and Labor, I am particularly glad to meet you to-night, because you represent the British commercial and industrial interests in China. Great Britain is essentially a commercial nation. Statistics show that she ranks first in China's foreign trade. Your merchants have been conducting commercial operations in China for a considerable length of time, with the result that trade with this country has developed to such an extent that China is now considered the foremost among the fields where your foreign commerce is carried on.

This important development in the commercial relations between the two countries may be attributed to China's immense territory, her inexhaustible resources and her enormous population. We have in store within our territorial domain almost all the raw materials which you need for manufacturing purposes and at the same time we also constitute one of the greatest markets in the world with the most remarkable potentialities.

Steadily Increasing Trade

However, with the further development of China, commerce will attain such a degree of prosperityy that the present volume of trade would seem insignificant. Despite the difficult times through which the country has been passing, trade has developed steadily, indicating its enormous possibilities when peace is fully restored. In 1918, the net value of the foreign trade of China was a little over one billion Haikuan taels. It increased by some Tls. 200,000,000 in 1919, and has been mounting ever since. In 1926, it reached the record of almost two billion taels. There was a slight falling off last year but there promises to be a big recovery during 1928, and probably another record. The future participation of British commercial and industrial houses in this continuously growing trade is bound to be enormous, for, with the development of natural resources and the opening up of means of transportation, China, with her supplies of raw materials and her market for finished products will offer to the commercial world the greatest opportunity imaginable.

The Kuomintang Government, in following the principles laid down by our late leader, Dr. Sun Yat-sen, is resolute in its efforts to develop China's natural resources, to elevate the standard of living of the people and to create larger wealth for the nation. In his scheme for the international development of China, Dr. Sun laid emphasis on the necessity of introducing foreign capital and experts to help develop the country. If this is to be carried out effectively with a view to common benefit, a sympathetic understanding, mutual respect and sincere co-operation between your people and ours must be fostered and promoted. This, I hope, will serve to be the foundation of our future relations.

Need for Goodwill

British merchants are known for their honesty and intergrity. The possession of such qualities is indeed an important asset to a commercial people. But in order to achieve success, it is essential to have a third quality, namely goodwill. For every commodity you sell, you have a certain trade mark to facilitate identification and thus to increase the selling of that particular commodity. I cannot help feeling that, beside individual trade marks, you need one more for all British goods, that is, the general trade mark of goodwill. As individual trade mark will only help to sell one particular kind of goods, but the trade mark of goodwill will facilitate the sale of all goods.

I believe that the two organizations which you so ably represent this evening are admirably qualified to fulfil this duty—the promotion of goodwill. I am aware your organizations have such an object in view and your efforts have been rewarded with successes as evidenced by this delightful gathering. I sincerely wish the best of successes to your Chamber and Association in promoting friendly intercourse with our people through mutual consideration and courtesy. With these ideals to light the way, there should be no limit to your achievements.

U. S. Department of Labor in Favor of Allowing Wives of Chinese to Enter U. S.

William N. Smelser, Assistant Secretary of Labor, speaking recently at the 13th anniversary meeting of the Chinese-American Citizens' Alliance in the Chinese Theater, 50 Bowery, New York City, declared the United States Department of Labor was in favor of modifying the immigration laws so as to allow citizens of the Chinese race to take their wives to the United States.

Mr. Smelser said that every other class of citizens except Asiatics was permitted and encouraged to bring into the United States their wives and children. He declared such a step "makes for decent citizenship and for morality and is in the best interest of the country."

"Chinese merchants," he said, "those who are not eligible ever to become citizens of the country may bring their wives and children, but you citizens are prevented from doing so. I cannot conceive of any possible justification or warrant, either socially or morally, for such an abnormal condition. This is a gross injustice and the Department of Labor has unqualifiedly committed itself to an effort to induce Congress to legislate for your benefit in this respect."

Mr. Smelser added that he favored extending the present quota law to the Chinese because, "the Chinese exclusion laws no longer operate so advantageously and are no longer necessary for the welfare of our people, and by applying the quota immigration laws to Chinese nationals, this country will fare better with respect to Chinese immigration than it does at the present time under the existing laws and treaties."

Hamilton Fish, a member of the Foreign Affairs Committee of the House of Representatives, pledged his support to the American born Chinese in their efforts to have the immigration laws amended. Representative Loring M. Black said new treaties with China should be enacted at once and would go a long way toward international peace.

A German View of Far Eastern Politics

A recent *Wolff Bureau* telegram, published in the German press, called attention to the great interest which the Japanese press took in Sir Austen Chamberlain's statements in the House of Commons with reference to Anglo-Japanese cooperation. The Japanese press, the German telegram pointed out, continued to give the Japan people the impression of exclusive Anglo-Japanese cooperation in China. On the other hand, Chamberlain's statements are being received by the Chinese people with renewed apprehension and in certain quarters, with resentment, indirectly strengthening the position of those Japanese who are in favor of the so-called "strong China policy."

THE PRESSING PROBLEM OF RECONSTRUCTION

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other injurious methods of taxation, the reform and standardization of our national currency system, the working out of a scientific budget with effective control over military and other unproductive expenditures. Should these things be realized the problem of economic reconstruction, through the extension and improvement of our railway system, the exploitation of our unscratched mineral wealth, and development of our domestic and foreign trade, will be assured.

To summarize: our problems of national reconstruction are two fold: politically to develop a modern democratic state with good and effective government by peaceful evolution; and economically to achieve industrializaiton on a large scale in order to solve the problem of the peoples' livelihood. We are confident that these problems can be solved by us. But we are also convinced that these problems will be solved more efficiently, more quickly, and more scientifically if we can obtain the technical and financial assistance from abroad. It is to America and to Western Europe that we are now looking for such technical and financial assistance.

BRITISH CHAMBER AND CHINA ASSOCIATION GIVE DINNER TO CHINESE OFFICIALS

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to meet the natural aspirations of our people, and Sir Austen Chamberlains's assurance that he is always anxious to do his utmost to settle in the most friendly manner outstanding questions with the National Government encourage us in the immense task we have in hand—the enormous labor of coordinating modern thoughts and conditions with a social system which took root more than 4,000 years ago.

I understand from these speeches by your leading statesmen that the British Government seek understanding and cooperation from Chinn. They will certainly find the National Government ready, eager, and responsive, and I sincerely hope that this growing spirit of better understanding will soon bear fruitful results.

A Word to Tokonami

To the Editor, *The China Weekly Review*.

Mr. Takejiro Tokonami's statement to the Shanghai newspapers regarding his mission to China seems, indeed, full of the conciliatory spirit. At a crisis of the Sino-Japanese relations as this, an open-hearted statement of each other's opinion on the common salvation without any prejudice is of pressing need. From the viewpoint of the geographical, historical, racial, and economic connections between these two countries, their relations should not be so strained as to-day's. In view of his political influence with his Government, we do hope that Mr. Tokonami's investigations in China and his subsequent report to his Government will be carried out with his avowed impartiality and sympathy. We trust that the suggestions of a politician of Tokonami's position must have some determinate weight, directly or indirectly, in the forming of Japan's attitude toward China, no matter whether Tanaka will listen to his recommendations or not. We, while keeping in full view the welfare of Japan, do sincerely hope that Mr. Tokonami will also take into consideration the reasonableness and righteousness of China's cause.

The Japanese Troops in Shantung

Tokonami's mission, as he himself stated, is to find a way out of the present deadlock between China and Japan. In this connection, we wish to point out the realities that now obstruct the progress of the negotiations. The immediate question at issue is the withdrawal of the Japanese troops in Shantung. While China maintains that no negotiation is to be opened unless Shantung is entirely evacuated, Japan holds that the withdrawal is unreasonable without first obtaining security of Japanese lives and property. The latter excuse is plainly inconsistent and shows no sincerity for the negotiation. For is there any indication of danger to Japanese nationals anywhere within and without Shantung?

The Japanese real intention, as revealed in their repeated declarations, is that China should undertake the liquidation of their unsecured loans and the recognition of the so called "special privileges" of Japan in Manchuria. Of the Yen 700,000,000 loans as set out by Mr. Yoshizawa, China can hold herself responsible for the repayment of those that were contracted with the express or implicit assent of the Chinese people. If she goes beyond that limit and takes up the repayment of those that were contracted in spite of the popular strenuous protest and with a view to help the militarisis bring about their selfish ends under whatever plausible pretext, it is tantamount to her welcome to foreign instigation in her civil wars. For this reason, we hope that Japan will not lose sight of the nature of her loans to China.

The Manchurian Problem

As to the legality of the problem of Manchuria, the writer of this article has already treated the subject at length under the caption of "Japan's Position in Manchuria." in the *China Press* for Nov. 25, *The China Weekly Review* and the *China Critic* for Dec. 1. To Japan's legal rights and interests in Manchuria that are not incompatible with Chinese law, China will of course accord full protection. China cannot set aside this responsibility, for Manchuria is her own territory. But if we turn our attention to the present activity of the Japanese Government in Manchuria, we cannot refute that Japan not only does not stop with her *status quo* in that region, but really goes a step further in the direction of annexation. This is undeniable, as her railway policy is at present in headlong progress in Manchuria. Does this economic encroachment mean protection of Japan's legal rights and interests?

While we respect Japan's interests in China, we must not tread under feet China's political sovereignty and territorial integrity.

If we observe this principle, then the relations between the two countries will certainly get along smoothly and satisfactorily. Otherwise, the prospect would, indeed, be very dark and dangerous. Unfortunately, the Japanese Government never appreciates the cause of China's grievances. The Chinese boycott against Japan is, of course, an unhappy event in the relations between the two countries; but we must remember, it is not a cause but an effect. It is caused by the presence of Japanese troops in Shantung as well as the Japanese ever-progressing railway policy in Manchuria. Once the cause is removed, the effect will automatically cease to operate. We do eagerly hope to go hand in hand with the Japanese, who are of the same race with us, in the advancement of the Far Eastern culture, but it is the aggressive, selfish policy of the latter that splits us into two antagonistic groups—which is a deep regret to us.

FANG LO-TIEN

Anking, Dec. 13, 1928.

The True Volume of China's Mineral Production

BY BORIS P TORGASHEFF*

It cannot be denied that China's *modern* mining industry has not as yet outgrown its infancy period, but as regards the *real* volume of the mineral production of China the reader must bear in mind that the largest portion of mineral products comes from Chinese *native mines* which are numerous and many of them date back several thousand years. Taking this into consideration, we may easily prove that, in the value of its mineral output, *China ranks first among the other countries of the Far East.*

Strickly speaking, it is absolutely impossible to express, at the present time, the real volume of the mineral production of China in any *exact* statistical figures. The reason is that the general backward character of China's actual mining industry is responsible for the fact that none of the official or scientific departments are in possession of exhaustive information or exact figures for the entire mineral production of China.

Only a rather limited number of more or less modernly equipped larger mines supplies some regular statistical data on their production. As regards the native mines, the exact amount of their output very often escapes official statistics. Owing to the absence of sufficient and special Government organisation for the supervision of mines, the official records comprise only a few of those mines on which information happens to be given. There is no regularity in the supply of such information, and it differs in reliability. Under the present general conditions and different provincial regulations neither the Geological Survey of China nor we may venture to say, the Ministry of Commerce and Agriculture are entirely capable to keep on exact record all the great number of native mines.

Until there will be formed in China an efficient central mining inspection, it will be beyond any power to enforce regular and reliable supply of statistics and other information on all the mines of China. The Geological Survey of China, which is an institute of much consideration and esteem for its scientifical research work, is not in any better position the other Government departments of mines. Driven by the necessity, the Geological Survey of China does everything to collect all the information available, and the results obtained in that direction are already very encouraging, as we may see from a number of authoritative works of *Dr. Wong Wen Hao*, Director of the Geological Survey, and the Special Report of the Geological Survey of China, published in 1926, "General Statement on the Mining Industry (1918–1925)." written by *C. Y. Hsieh.*

Official Data Is Lacking

Valuable as are the various official summary reports on China's mining industry, they still are far from what might be considered as necessary for its profound study. How insufficient the official information still is, may be seen, for instance, from the following facts, the author has encountered himself in the progress of work on mining. No official institute in China could supply him with the information on even the approximate total output of *kaolin* in China, which is one of the oldest and most important items of China's mineral production. The figure on the production of *cement*, (2,000.000 bbls) officially supplied to the author, evidently represented nothing but the output of the largest cement-works near Tientsin alone, while the actual cement output in China runs as high as over 6,000,000 bbls a year. Information on mining in various parts of China, as, for instance, Manchuria, either entirely escaped the official registration or were considerably underestimated. Of a few items the Geological Survey could tell the author nothing but the export figures from the Chinese Maritime Customs reports, or casual information relative to some single province or even mine.

Mentioning the above the author is very far from any desire to understimate the importance and the great value of the work of such institutes as the Geological Survey, etc. On the contrary, the author wishes to underline all the great difficulties which are met with even the central Government organisations in collecting information on mining. Sometimes, this information is reliable enough, being supplied by the companies themselves and checked up by the Government's representatives. Sometimes, the information supplied is intentionally diminished. The most of information is usually obtained by the Ministry through various administrative channels. This data usually is casual in character, always comes much delayed, very often clearly unreliable and, therefore, only misleading. We may be allowed to say, that, taken as the whole, the most of the official annual records on the mineral production in China are never in any way complete, covering all minerals, and always give *very diminished figures.*

All the above is meant to caution the reader against any rash judgement of the production of a definite mineral in China on the strength of the official statistics. They are necessary, as a starting point, but in each case the reader must take knowledge of all the other reliable data to see if there is a chance of exaggeration or, as mostly happens, an extreme underestimation of the real state of things. If the reader enters into study of the mining literature on China, he is bound to meet with endless apparent contradictions, exaggerations and quite misleading notions, if he will not take care of analyse the source of the statistics in question, the regions to which they are applied and their completeness. Each reference book on China always supply a section: "The Mineral Output of China", but in a very few of them you may find not mixed up figures. In the most of them, if critically analysed, you may easily detect by an exact figure for the whole of China some other figure which, in reality, is nothing but casual data for a separate province or single separate mine or even a mere casual export figure.

Many Enquiries Necessary

To form a more or less approximative notion of China's *true* mineral production, there is no other way but to analyse most minutely *all reliable information available*, and not to be satisfied with official statistics alone. Kind response which the author has found on the part of Dr. Wong Wen-hao, Director of the Geological Survey of China, has proved to him not to take any official figures without supplementary inquiries and criticism about all the particulars of its origin. The contradictions and the lack of numerous items have necessitated to recur to the verification of information by direct communication with a number of the largest mining enterprises in China and private mining people and geologists. Large foreign concerns and private firms, sometimes, possess rather reliable and interesting information on mining conditions in a definite province, even outside the line of their direct activities.

Very valuable information is scattered in different research works by a number of scientific explorers of China, geologists and writers on China's trade conditions. Strange as may seem, a lot of information on mining may be gathered by the attentive perusal of various missionary periodicals. It is usually an entirely unsystematised material, often devoted to some limited region, enterprise or mineral, but it helps immensely proper orientation in the matter.

Only in such a study of private and published reports and accounts on the market conditions, one can find some true notion of the size of consumption of a definite mineral product, and knowing its imports and exports to deduct an approximate volume of the local production. How easy it is to fall into grave mistake, if official information is relied upon without any supplementary inquiry, could be seen from the author's own experience, when he inquired before two official sources about the consumption of soda in China. One of them supplied a quite reasonable estimate of up to 140,000 tons, while the other gave the author the figure of 2,880 tons (48,000 pcls.) The erroneous character of this latter figure was easy to detect, but such kind of arbitrary, unverified, unexplained and misleading statistics *abound* in different *numerous information and reference books on China*, and are often referred to further by different careless authors.

How easily the general publlic may be misled about the size of the production of certain mineral products, may be seen from such facts as follows: during the War the production of mercury went up in China for a couple of years (owing to the war-time exclusively high prices to Mex. $1,500.000 a year, dropped afterwards and only recently recovered to Mex. $78,490, but several foreign mining periodicals continue to mark China's mercury output at Mex. $1,500,000 even in 1926.

All the above complicated state of things does not allow us to limit our study of China's mineral industry to statistics of a certain definite Government source alone. Sometimes, it will give the recent and reliable information. Sometimes, it would be an absurd thing to make any deduction without analysing the value and the origin source of the figure. It often happens, that the true situation with regard to a certain mineral cannot be established, unless we analyse the data on past periods.

As far as it has been possible for the author, he has undertaken the most careful analysis and verification by special inquiries of all the figures which he obtained from the Geological Survey and other official sources. In all the

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cases when there was anything to doubt or to supplement, special additional inquiries were made with various other information sources. In a number of cases, however, it has been entirely impossible to reconcile some existing contradictions, and with the purpose of avoiding any exaggeration the mineral figure has been included in the table.

Taking all the abve mentioned into consideration, the author has compiled the following summary table of mineral production in China, Manchuria included. All the fundamental figures of this table relate to 1925, as since that year no regular information has been forthcoming to the Geological Survey of China. The valuation is mostly based on that of the Geological Survey of China. When not available, the average Far Eastern market price have been taken into consideration, expressed in Gold Dollars for the purpose of uniformity. This table corrects many undoubted, in the author's opinion, official underestimations, supplements a large number of mineral which escape official registration, but it must be remembered that the most conservative estimates alone have found place in this table, and *the true mineral output of China mus be much higher.*

Mineral Production in China*

Mineral products.	Metric tons.	Value in U. S. $.	Remarks.
1. Coal.	35,000,000	234,702,445	**1925.** Registered output of modern mines: 17,255,042 tons valued at 10.58 or G. $ 8.46 a ton. Unregistered output is taken by the Geol. Survey at 7,000,000 tons only, but we dispute it as an evident under estimation if all the details on consumption analysed. According to our estimate (which will be published in a separate article), the unregistered output of modern mines and native production is not less than another 17,744,958 tons, valued at G. $ 5 a ton.
2. Mineral structural materials.	80,400,000	44,823,100	**1925.** Building stone," clay lime, sand, gravel, stone balst, stone screenings etc., exclusive cement and asphalt. Conservative estimate on the basis 10 cents. gold per capita and 18 cents. gold per ton, which is lower than the ratio ascertained for Philippine and Formosa. Various details show these figures to be an underestimation.
3. Cement, bbls.	7,185,000	21,555,000	**1927.** Our own estimate, explained in a special article appearing in *The Far Eastern Review*: 6,285,000 bbls in China proper and 900,000 bbls in Manchuria. Value: G. $ 3 per bbl.
4. Salt.....	2,156,550	34,249,145	**1925.** Geological Survey of China. 35,942,490 pcls, valued 43,138,988 Hk. Tls, i, e, Tls 19.87 per ton or /at 80/ G. $ 15.90 per ton. This is evident underestimation as the general salt output in China actually exceeds 3,000,000 tons per annum.
5. Pig iron..	369,617	9,166,502	**1925.** Geological Survey of China. Tls. 31 or G. $ 24.60 a ton.
6. Steel.....	30,000	1,335,000	**1925.** Geological Survey of China. Hk. Tls. 55.65 or G. $ 44.50 a ton.
7. Iron ore, exported.	815,913	1,566,553	**1925.** Geological Survey of China, Hk. Tls. 2.40 or G. $ 1.92 a ton.
8. Tin.....	9,200	9,803,312	**1925.** Geological Survey of China. Hk. Tls. 12,260,390 /@80/
9. Gold, kgr.	10,670	7,091,602	**1925.** Author's summary data for Manchuria and China *China Weekly Review* Vol. XLII Nos. 4 & 5 1927,.
10. Antimony: regulus,. crude.... concentrate	16,168 2,955 2,300	4,018,515	**1925.** Geological Survey of China. For the total value of 5,023, 144 Hk. Tls. /@80/.
11. Zinc.....	18,542	3,590,000	**1925.** Ore computed in terms of metal, according to the Geological Survey's data. Hk. Tls. 4,487,500 /@80/.
12. Kaolin....	470,000	3,290,000	**1925.** The only Geological Survey's data available relate to South Manchuria: 23,119 tons. It is authoritatively supposed that the Chinese output is not less than in Japan proper: 468.628 tons in 1924. Value G. $ 7 per ton.
13. Alum.....	50,000	2,250,000	**1925.** The only found data in "*The Far Eastern Review*" Value G. $ 45 per ton.
14. Sulphur...	2,348	1,878,784	**1925.** Geological Survey of China. Hk. Tls. 2,348,000 /@80/. Considerable underestimation.
15. Soda.....	50,000	1,501,500	**1926.** Author's own summary estimate for Manchuria and China proper in the "Internationale Bergwirteschaft" of Leipzig, April, 1927.
16. Copper,....	2,345	862,910	**1925.** Summary data of the Geological Survey and from various other sources, explained in the book "The Mineral Production".
17. Tungsten..	5,288	731,270	**1925.** Geological Survey of China Hk. Tls. 914,087/@80/.
18. Lead ore..	15,550	622,000	**1925.** Geological Survey of China. Hk. Tls. 777,500/@80/. An apparent underestimation. Considerably increased in 1926 and 1927.
19. Manganese ore.....	50,000	500,000	**1925.** Geological Survey registered in 1925. 43,499 tons of exported ore only, valued at 328,130 Hk. Tls. Considerable underestimation.
20. Alunite....	11,354	498,602	**1924.** Geological Survey of China. Hk. Tls. 623,253/@80/. Value Hk. Tls. 55 or G. $ 44 a ton.
21. Aluminium sulphate..	6,173	617,300	**1925.** Chinese Maritime Customs' export data for 1925. Only from South China. Approximate value G. $ 100 a ton.
22. Talc.....	51,516	463,644	**1925.** Dairen Geological Institute the only available data for South Manchuria: 31,316 tons. 20,000 tons. are taken as minimal estimate for the rest of China, what is an apparent underestimation. G. $ 9 a ton.
23. Gypsum....	80,000	448,050	**1925.** Geological Survey of China. Hk. Tls. 560,000/@80/. G. $ 5.60 a ton.

*Notes. The limited space of this article does not allow to give here any exhaustive explanation on each mineral. Such detailed explanation are given in the author's large book: "Mineral Production & Resources of the Far East", published in Russian and shortly appearing in Chinese prefaced by Dr. Wong Wen-hao.

The reader may find in this attempt not only mere omissions but even some involuntary errors, and the author would greatly appreciate documented information with regard to this or that mineral.

24. Bismuth, kgr.	80,000	400,000	**1924.** Government Bureau of Economic Information. Value: G. $5 per kgr. Geological Survey gives no data.
25. Magnesite..	53,773	330,184	**1925.** Dairen Geological Institute. In Manchuria: 13,773 tons. In China estimated minimum: 40,000 tons. Value: G.$8 a ton.
26. Petroleum, bbls.....	100,000	250,000	**1925.** Approximate estimate of the native production, according to the author's own data.
27. Arsenic....	1,233	222,325	**1925.** Geological Survey's data relative to export only: 277,902 Hk Tls. /@ 80/. True production much higher. This is considerable underestimation.
28. Mica.....	200	123,170	**1925.** Approximate Japanese estimate of the native output in Szechuan, Kweichow and Shantung. Yen 1,230 per ton. Geological Survey of China gives no data.
29. Mercury...	42	78,490	**1925.** Geological Survey of China. Hk. Tls. 98,112/@ 80/.
30. Phosphates....	13,719	73,533	**1925.** Geological Survey's data concerning only the Pratus Island /5,000 tons/ aud Kiangsu /8,719 tons/ Value: Hk. Tls. 6.70 orG.$5.36 a ton. Considerable underestimation.
31. Nitrate of potash.....	15,000	375,000	**1926.** The author's own approximate estimate explained in "*Chinese Economic Journal*" December 1928.
32. Asbestos	423	31,320	**1925.** Geological Survey of China's data for China proper: 36,000 Hk. Tls. Dairen Geological Survey: 63 tons, produced in South Manchuria. Value G.$40. Apparent underestimation of the native production.
33. Silver, kgr,....	1,231	26,400	**1925.** Geological Survey of China. Hk. Tls. 33,000 /@ 80/.
34. Pyrite	3,066	20,693	**1925.** The only available data of the Dairen Geological Institute for South Manchuria. Yen 13.50 a ton. Geological Survey of China gives no data, but the pyrite output in China in not insignificant.
35. Molybdenum	15	8,479	**1923.** Geological Survey of China's only available data, and for Fukien province alone. Apparent underestimation.
36. Fluor Spar.....	275	3,025	**1925.** Dairen Geological Institute's data for South Manchuria /110 tons/ and data of the Government Bureau of Economic Information 165 tons for Chekiang province alone. Value: Yen 3 per ton. Apparent underestimation of output.
37. Quartz, for glass.....	4,694	22,876	**1925.** Dairen Geological Institute's data for South Manchuria alone. Value: Yen 3 per ton. Considerable out put in China proper, relative to which no data has been avaliable.
38. Quartzite, for fire-bricks ..	8,373		
39. Felspar	30	451,708	**1925.** Dairen Geological Institute's data for South Manchuria alone. Considerable output in China proper, relative to which no data exists.
40. Calcite.....	93		
41. Dolomite	40,500		
42. Fire clay	25.796		
43. Limestone for flux & cement ..	234,720		
44. Graphite.....	—	—	**1925.** According to Prof. E. Mathieu's data, small native production, which escapes the Geological Survey's statistics.
45. Nickel. ore.....	—	—	
46. Cobalt ore.....	—	—	
47. Baryte.....	—	—	**1927.** According to theDairen Geological Institute's data baryte is regularly mined in South Manchuria, but the author has not beeu able to obtain the output figure·
48. Ochres.....	—	—	**1927.** Ochres are regularly mined in various regions of China proper and Manchuria although this output escapes registration.
49. Abrasives	—	—	**1927.** Considerable native production scattered over many provinces of China and Manchuria, although no statistics are available.
50. Marble	—	—	1927. Mined in several provinces of China in particular considerable output comes from Yunnan. Amount of output escapes official statistics.
51. Natural gas.....	—	—	1925. Incidental production in Szechuan province, where it is used at salt wells. No data available about output.
52. Oil-shale	—	—	1926. Dairen Geological Institute. Small experimental production at Fushun. In small quantities mined by natives in some other part of China, and in North Manchuria.
53 Precious stones..	—	—	1927. Produced for some amount, the volume of which cannot be ascertained.
Total	—	—	387,982,378

The area of the Chinese Republic, Manchuria included covers 1 896,496 sq. miles, and, according to a reliable estimate of the Chinese Maritime Customs, the total population of China was represented in 1925 by the figures of 448 231,000. With respect to these figures we may express China's mineral production in the following per capita and per sq. mile rates:

U. S. $0.85 per capita per annum.

U. S. $201.24 per square mile per annum.

In proportion to the world mineral production and that of the United States, which amounted in 1925 to about G. $16,500,000,000 and G. $5,696,000,000 respectively, China stands as follows:

2.30 *per cent* of the world mineral output.

6.69 *per cent* of the U. S. mineral output.

As may be seen from the foregoing table, G. $ 291,593,600 represents the production of coal, iron and mineral structural materials. If we add to it the value of the salt and cement production, that is another G. $55,804,145, we may see that all the remaining 46 different varieties of mineral products bring to China only G. $40,580,000. This is not much, but undoubtedly offers good potential possibilities, as at the present time China already produces about 50 various mineral products.

Even under the general unfavorable circumstances which have a number of these last years prevailed in China owing to the continued civil strife between South and North, China has remained a rather large buyer of different imported metals and other mineral products, for the total amount of over G. $180,000,000, if we rely upon the average annual figures for the three years period 1923-1925 we do not take the later figures for 1926 and 1927. when all import and export business and industrial conditions became rather abnormal. Basing on the statistical records of the Chinese Maritime Customs for the mentioned three years period, the following table may convey an idea of annual *average* import and export of mineral products in China. Table is compiled in Gold Dollars in round figures:

Annual average import and export of mineral products.

Mineral products.	Imports.	Exports.
Fuel oil and oil products.....	62,345,000	—
Iron, steel and machinery	52,120,000	8,000,000
Silver, average net import.....	40,020,750	—
Copper.....	8,250,000	150,000
Coal.....	5,000,000	25,000,000

(*Continued on page 177*)

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Some Recent Manifestations of Kuomintang Policy

BY J. B. P.

The Central Executive Committee of the Kuomintang which controls the National Government is faced with two important problems from the standpoint of domestic politics. One is the problem of military reorganization which carries with it the matters of disbandment of surplus troops, the development of a real National Army and the problem of military finance. What the Nanking Government is now trying to do is to reduce the number of troops in China to a standing army numbering somewhere between 300,000 and 500,000 men. The civilian leaders in Nanking want 300,000 troops: The military leaders want 500,000. The final result probably will be somewhere between those figures. The reasons for the urge for military reduction are two-fold, the first of which is financial. No one has any definite figures regarding the number of men now actually under arms, but even with the reductions which have taken place in recent months, there probably are still a million men under arms. This vast army is not under any centralized command, but is subject to the commands of about seven major military leaders, Chang Hsueh-liang in Manchuria; Bei Tsung-chi and Yen Hsi-shan in Chihli and Shansi provinces; Feng Yu-hsiang in Honan, Shensi and Kansu provinces; Li Tsung-jen in Hupeh and Hunan provinces; Li Chai-sum in Kwangtung and Kwangsi; Chiang Kai-shek and his subordinates in Kiangsu, Anhwei, Kiangsi, Chekiang and Fukien provinces. Shantung and Szechuen provinces are debatable territories. To support these swollen armies is now requiring most of the available revenues of the country, most of the commanders performing both functions of collecting and spending the money.

Two Chief Military Problems

The civilian leaders in the Government are therefore trying to do two things: induce the military leaders to reduce their armies to reasonable size in order that they may be financed from the National treasury, which would permit the National treasury to assume its proper function of collecting the money as well as spending it. In other words the National Government wants to develop a modern fiscal system with a budget similar to the systems which prevail in practically every other country. This is impossible so long as the country is split up into spheres and everybody running his own show. One of the objects of the Nationalist revolution was to unite the country under a responsible government, but as the situation stands today the country is still divided despite the fact that everybody professes adherence to Kuomintang principles. Then in addition to the difficulty of developing a strong central government, there is the pressing necessity for developing the national defence of the country. While China has the largest standing army of any nation, the facts in the situation are that it is of little value from the standpoint of national defence. It is poorly trained and equipped and is only local in its loyalties.

In order to work out this problem, the National Government has called a national military conference to be participated in by the major military leaders. Gen. Yen Hsi-shan commander of most of the forces in Chihli and Shansi provinces is now in Nanking and it is hoped shortly that the other leaders, especially Li Chai-sum of Canton and Li Tsung-jen of Hankow will shortly arrive or send representatives. Gen. Feng Yu-hsiang, commander of the forces in Honan, Shensi and Kansu who recently was appointed Minister of War has been in Nanking for some time. Since Gen. Yen's arrival there have been several conferences between Yen, Feng and Chiang Kai-shek. Also, it should be stated in this connection that Gen. Chang Hsueh-liang, nominal head of the government in the Three Eastern Provinces of Fengtien, Kirin and Heilungkiang, has also had representatives in Nanking recently and there are said to be prospects of an early move in Manchuria in the direction of a definite union with the National Government. Since the reorganization of the Nanking Government and the adoption of the Constitution, the Kuomintang leaders have been following the policy of inviting the military and political leaders from various parts of the country to visit the National Capital for conferences on the major political questions. This has undoubtedly been of great assistance in breaking down prejudices and inculcating patriotism from a national standpoint. Now the Government apparently has reached the point where it considers the prospects favorable for a national military conference for the purpose of unifying the military situation and securing the adoption of a definite military budget as well as plans for national defence.

Forthcoming Kuomintang Congress

Aside from the domestic military situation, the other major domestic political issue has to do with the forthcoming conference or congress of the Kuomintang. In previous issues of *The Review* there have been references to complications which have developed within the ranks of the Kuomintang in respect to the calling of the Third National Kuomintang Congress, the leaders of the Party who make up the Central Executive Committee in Nanking being frankly afraid of the radicals or "leftist" groups who largely make up the rank and file of the branches in various parts of the country. Sometime ago the C.E.C. drafted provisional regulations covering the election of delegates to the Third National Congress, which provided for the appointment of at least half of the delegates by the headquarters in Nanking. This raised such a storm of disapproval, however, that it was necessary to postpone the congress from Jan. 1 to March 15. Now the C.E.C. has published further regulations governing the organization of the congress which is supposed to be the final word. The regulations as issued through the official *Kuo Min* news agency on Dec. 15 are as follows,

Art. 1. The Third National Congress shall be composed of the delegates elected by the Provincial Party Headquarters, Special Municipality Party Headquarters, Special Party Headquarters attached to various Armies, Railways, Seamen's Special Party Headquarters and the Oversea Party Headquarters as well as those delegates designated by the Central Party Headquarters.

Art. 2. The presidium of the Third National Congress shall be constituted by a number of members of the Central Executive Committee after their nomination shall have been passed by the Congress.

Art. 3. The Session of the Congress shall be for 10 days, but it may be prolonged, if necessary.

Art. 4. The functions and powers of the Congress shall be as follows:

a. To receive and adopt the reports of the Central Executive Committee and other departments of the Central Party Headquarters.

b. To revise the platforms and regulations of the Party.

c. To decide upon the policies to be pursued according to existing conditions.

d. To determine the number of the members and reserve members of the Central Executive and the Central Supervisory Committees.

e. To elect the members and the reserve members of the Central Executive and the Central Supervisory Committees.

Art. 5. The Congress shall be formally opened only when a quorum of more than one half of the delegates is present.

Art. 6. All members of the Central Executive and the Central Supervisory Committees shall attend the general sessions of the Congress; while the reserve members may also be present, they shall only have the right of expression but not the right of voting.

Art. 7. All questions before the Congress shall be decided by a majority of the delegates in attendance. When the delegates are evenly divided over any issue, the question shall be referred to the Chairman for decision.

Art. 8. The general sessions of the Congress shall be open to the public. Spectators and guests shall, however, be excluded, whenever the Chairman or more than ten delegates decide that the session should be closed to the public.

Art. 9. The rules of procedure of the Congress, the regulations governing the admission of spectators and the official tickets of admission for the spectators shall be separately determined.

Art. 10. The expenses of the Congress shall be determined by the Central Executive Committee.

Art. 11. The Congress shall be held at the Central Party Headquarters.

Art. 12. The Secretariat of the Congress and the Committee for examining the qualifications of the delegates shall consist of members of the Central Executive Committee.

Art. 13. The Congress shall have a Proposals Investigating Committee and a Committee for the drafting of the manifesto; members thereof shall be nominated by the Congress.

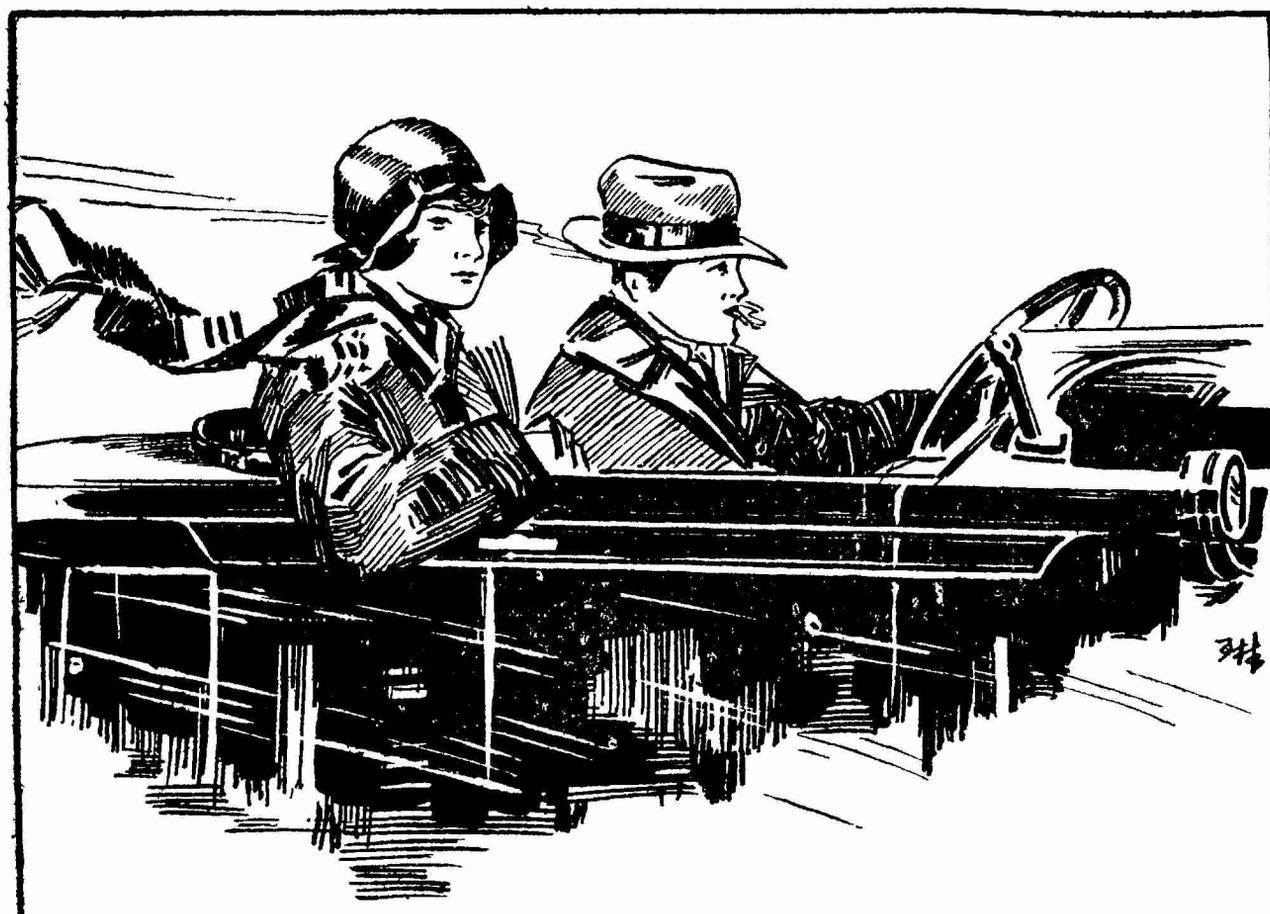
Art. 14.—These regulations shall be adopted for enforcement by the Central Executive Committee.

Election Regulations

As for the regulations governing the actual election of delegates, the following translation, also by the *Kuo Min* news agency, is also of interest,

Art. 1. Delegates to the Third National Congress shall be elected in accordance with these regulations.

Art. 2. Electors of the delegates to the Third National Congress shall be elected at the preliminary election in accordance with section 2, Article 66, Chapter 9, of the Constitution of the Party, by the branch Party Headquarters, the number of electors being limited according to the number



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of Party members in the respective branch Headquarters and the method of election being by ballot.

Art. 3. The first election shall take place at the Headquarters of the Executive Committees of the various Districts and Municipalities, and the second election, at those of the various provinces. In the Special Municipalities, the election shall be held at the Headquarters of the Special Municipalities; the number of delegates to be elected at the second election, however, shall not be limited according to the number of electors at the preliminary election.

Art. 4. The procedure in accordance with which the re-election shall be held is as follows:

(a) For those provinces, Special Districts and Special Municipalities where the Provincial Party Headquarters, Special District Headquarters and Special Municipal Headquarters are formally organized before the 15th day of the 18th Year of the Republic (February 15, 1929) and whose organization is found to be in accordance with the regulations by the Central Authorities, the second election may be held in accordance with the election law as promulgated by the Central Authorities for the final selection of delegates to the Third National Congress;

(b) For those provinces or Special Municipalities where the District and other branch Party Headquarters have been organized, but where the Provincial or Special Municipal Party Headquarters are not formally organized before the 15th day of the second Month of the 18th Year of the Republic (February 15, 1929), the delegates thereof at the election shall be elected by one of the following methods, as designated and decided by the Central Authorities:

(1) The delegates-elect at the first election or at the preliminary election shall elect twice the required number of candidates of the various provinces or Special Municipalities for selection by the Central Authorities; or

(2) The Central Authorities shall nominate twice the required number of candidates from whom delegates to the National Congress shall be elected by the delegates elect at the first election or at the preliminary election; or

(3) For those provinces or Special Municipalities for which the District or other subordinate Party Headquarters have not been fully organized before the 15th day of the second month of the 18th Year of the Republic (February 15, 1929), the delegates thereof shall be appointed by the Central Authorities,

Art. 5. The Executive Committees of the various provinces and Special Municipalities of the Preparatory Committees for the organization of the Party Affairs Directorates thereof shall severally appoint officials, before the 1st day of the 1st month of the 18th Year of the Republic (January 1, 1929) to notify and instruct the various branch Party Headquarters to prepare for the holding of the preliminary election. Before doing so, however, they shall file a report to that effect with the Central Authorities for sanction.

Art. 6. The voters and those eligible for election shall be those who were found to be properly qualified at the General Registration of the 17th Year of the Republic and are in possession of new membership or registration certificates.

Art. 7. Each branch Party Headquarters shall elect one elector; but if the number of Party members registered with the said branch Party Headquarters is above thirty-five and below sixty-five, two electors may be elected; and if above sixty-five, three and only three electors may be elected.

Art. 8. The branch Party Headquarters, after having elected their electors, shall report their names and addresses to the Executive Committees of the respective Districts and Municipalities or the Special Officials appointed by the Preparatory Committees for the organization of the Party Affairs Directorates. In Special Municipalities, the report shall be filed directly with the Executive Committees of the said Special Municipalities or the special officials appointed by the Preparatory Committees for the organization of the Party Affairs Directorates thereof.

Art. 9. For those District or Municipal Party Headquarters which have a membership of less than 300, only one delegate may be elected at the first election; but if the membership is above 300 and below 1,000, two delegates may be elected; for those with a membership above 1,000 and below 2,000, four delegates may be elected, and for those with a membership above 3,000 five and only five delegates may be elected.

Art. 10. The District or Municipal Party Headquarters, after having elected the delegates at the first election, shall report their names and addresses directly to the Executive Committees of the Provincial Party Headquarters.

Art. 11. The number of delegates of the various Provinces and Special Municipalities, after the expiration of the period of registration, shall, in accordance with Article 27 of the Constitution of the Party, be determined and announced by the Central Executive Committee.

Art. 12. The preliminary election, first election and second election shall be held respectively at the properly designated Headquarters.

Art. 13. In case the number of votes received by two or more candidates is identical, the Headquarters in charge of the election shall decided the matter by drawing of lots.

Art. 14. Delegates from the various Provinces of Special Municipalities shall be elected at latest before the end of the second month of the 18th Year of the Republic (February 29, 1929).

Art. 15. The various Provincial or Special Municipal Party Headquarters, after having completed the election of delegates to the National Congress, shall print and circulate the list of names of the delegates together with a detailed report of the election and submit the same to the Central Authorities. Meanwhile, they shall also issue certificates to the elected delegates.

Art. 16. After the election of the delegates, should any evidence of corruption during election be discovered, the delegates shall be disqualified by the Central Authorities and shall also be punished accordingly.

Art. 17. Delegates from overseas Party Headquarters to the National Congress shall be elected in accordance with the three grade system—preliminary election, first election and second election—and the system of elections shall be the same as those in the provinces and Special Municipalities. Delegates of the overseas sub-branch Party Headquarters shall be elected in accordance with the two-grade system (Preliminary election and re-election) with the various branch Party Headquarters as organs of preliminary election and the sub-branch Party Headquarters as organs of re-election and the number of delegates thereof shall be determined and announced by the Central Authorities. Regulations governing the election of delegates of the various Special Party Headquarters shall be drawn up separately.

Art. 18. The foregoing regulations shall be promulgated for enforcement by the Central Executive Committee.

The Agenda

The agenda of the Third National Congress, which was issued by the *Kuo Min* news agency on December 17, follows.

"Notice is hereby given that the principal matters to be brought up at the Third National Congress of the Kuomintang, which is scheduled to convene on the 15th of the 3rd month of the 18th Year of the Republic (March 15, 1929) by a resolution of the Central Executive Committee, have been decided and adopted at the 187th meeting of the Standing Committee of the Ceneral Executive Committee in accordance with Article 26 of the Constitution of the Kuomintang—which stipulates that the date of the convocation of a National Congress of the Party as well as the principal matters to be submitted thereto for discussion and action should be announced to the various members three months in advance.

"Of the matters listed, the two which require our attention, are (1) the examination of those resolutions adopted in the previous conventions and (2) the preparation of new resolutions.

"It will be recalled that following the reorganization of the Party the Communists, forgetful of the sympathetic attitude of our late Leader, treacherously utilized the National Revolution for the propagation of their sinister schemes to betray the country, oppressing the people and estranging the Kuomintang from its sympathizers, with the result that grave dissension arose in our Party immediately after the death of our Leader.

"Dissension was reflected in various practical issues as well as in the resolutions adopted at the conventions of the Party. Although these resolutions have been modified to some extent since the Party Purgation Movement, a compilation of the true principles, policies and regulations of the Party in comprehensible and definite terms is still lacking. Members of the Party are, therefore, without guidance in thought as well as in action. Furthermore, we are deficient in both training and experience on account of our cultural decline. Such conditions have brought forth conflicts and given rise to the evil practice of looking after selfish interests first, thus widening the dissension. The mission of the Party being to lead the people and to guide the Government, it is obvious that such a condition cannot be permitted to continue. Now that internal strife has ended and the Period of Political Tutelage has commenced, every move of our Party has even greater bearing on the welfare of the nation and the preservation of the people.

"We believe the principal function of the Third National Congress should be to continue the unfinished tasks of our predecessors, to unify and consolidate our efforts. This being the case, the first important step to take in the forthcoming Congress will be to work out a unified policy and to formulate effective regulations in accordance with the instructions of the

(*Continued on page 183*)

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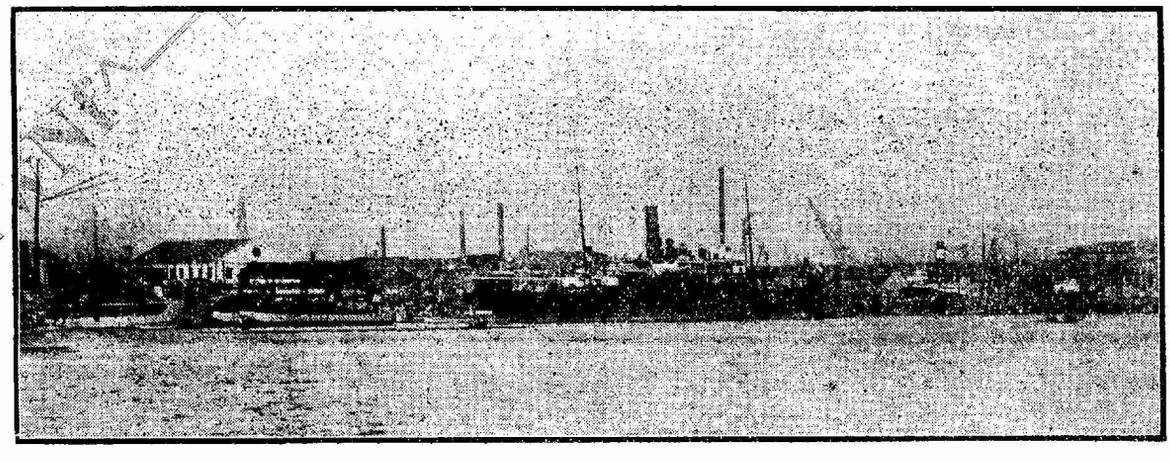


In the United States Court for China

THE HARBIN ELECTRIC JOINT STOCK COMPANY, LTD.
Plaintiff,
vs.
BECKMAN & LINDEN ENGINEERING CORPORATION
E. W. BEARDSLEY
THE NATIONAL CITY BANK OF NEW YORK
Defendant.

Cause No. 2958
Civil No. 1214

ORDER.

Filed at Shanghai, China, November 27th 1928.

JAMES M. HOWES
Clerk.

ORDER.

The object of this suit is to recover from The National City Bank of New York certain deposits in the sums of Harbin $225,741.52, and Harbin $239,-441.22, together with interest thereon from the 25th day of June, 1927, to date of payment; and to obtain a judgment that the Defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, and neither of them have any right, title, interest or claim whatsoever to the said deposits.

WHEREAS plaintiff herein, by its attorney has this twenty-seventh day of November, 1928, made application for the substitution of publication for personal service of summons upon the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley; and

WHEREAS it appears from the files of this case that on the 27th day of November, 1928, the summons for the said defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, was returned by the Marshall of the United States Court for China "Defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 27th day of November, 1928, Sidney A. Moss, of counsel for the plaintiff herein, filed an affidavit to the effect that the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley were not residing nor maintaining an office or regular place of business in the Republic of China nor had they been residing or maintaining an office or regular place of business within the jurisdiction of this Court during the last four years.

NOW, THEREFORE, it is this 27th day of November, 1928, ORDERED that the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, cause their appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 5th day of January, 1929, the day of the last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON D. PURDY
Judge

47-212

THE BUREAU OF TRADE MARKS

(*Continued from page 162*)

mark cases have been reported in the newspapers with frequent repetition in the last few months and many a violator have been brought to book. While the authorities are at work, the public should do their share of making the imitation of trade marks difficult. There are many ways of discouraging imitation. An elaborate design is one of them. But an elaborate design, while it may prove difficult to the imitator, is oftentimes too costly for the user. For a merchant who wants plenty of protection but who can ill afford to pay for an elaborate design, Article 9 of the Regulations for Trade Mark Registration may prove helpful. By the working of this clause, the registrant is enabled not only to register his original mark but also to register the variations thereof. Let us suppose a wine merchant has, for a particular brand of his, a picture of three stars and the Chinese characters 三星牌. He could register the mark as it is. But if he wants more protection, he can proceed to register any variations of the same mark. These variations, or, "Affiliated Trade Marks," can be registered with but a small fee. In the above case, the wine merchant can register for affiliated marks of his brand the picture of three stars, or only the Chinese characters or the characters and one star or any combination he can think of. In a famous case, a firm applied for thirty-seven different affiliated marks in addition to the original registered. The application was at first refused because it was afraid the said firm would "monopolize" the terms of a certain food seasoning product. It was granted registration only after the said firm had made much alteration of the terms used.

Avoidable Delays

According to a statement by the Chief Registrar, in the short term of existence of the Bureau of Registration, hundreds of applications were returned to the applicants either because they were not registrable or because they did not include all the items of requirement. No need to say that the applicants were greatly inconvenienced and oftentimes annoyed. At the same time, such applications put an extra premiun on the working efficiency of the work of the Bureau. Much of the time that might be used to attend to the other applicants was wasted on these unnecessary complications. Ordinarily there is very little difficulty of getting a mark registered. But if the mark is an imitation of one previously registered, the chance of its being accepted as registrable is rather slim. When in doubt, it is better for the applicant to write for information from the Bureau than to take the chance of obtaining registration by sending in an application without the necessary accompaniments. Here, as everywhere else, the cooperation between the public and Bureau is necessary in order to bring the latter to its highest point of usefulness and efficiency. Many business men pass their time in blissful ignorance and do not send in the marks to be registered until after they have been imitated. They might subsequently be able to establish their case and obtain registration; but it is only after their unscrupulous imitators have made a handsome profit and expensive law suits have been made. A modern business man has a great deal to know in addition to the mere art of buying and selling. Trade mark laws and regulation and the protectien afforded by them should be well within the ken of an ordinary business man.

Shanghai, December 17, 1928.

HENRY KILLAM MURPHY WILL DRAW PLANS FOR REBUILDING OF NANKING

(*Continued from page 159*)

National Americanization Committee. He made another visit to China in 1918, staying for a year, and opening a branch office in Shanghai. He made another visit to China in 1919. In 1920 Mr. Dana resigned from the firm, the three remaining partners continuing the office under the firm name of Murphy, McGill and Hamlin. Mr. Murphy visited China for the fourth time in 1921, and for the fifth time in 1922, in the following year bringing out two other partners and continuing the office under its original name, "Henry Killam Murphy, Architect." In 1924 Mr. Murphy was selected as architect for the half-million dollar home office building at New Haven, for the Security Insurance Company. He was elected a trustee of Lingnan University, Canton, in 1925, and made his sixth visit to China in the following year.

Mr. Murphy is a member of the American Institute of Architects, the Municipal Art Society of New York, the Architectural League of NewYork, the Metropolitan Museum of Art, the American Federation of Art, the Art Center of New York and the Archeological Institute of America.

THE TRUE VOLUME OF CHINA'S MINERAL PRODUCTION

(Continued from page 170)

Tin	4,500,000	6,621,000
Cement	3,000,000	Insignif.
Soda	2,830,000	—
Gold, net import	1,087,250	—
Lead	885,000	292,000
Zinc	319.500	331,500
Nickel and Cobalt	500,000	—
Mercury	155,000	78,000
Aluminium	150,000	—
Sulphur	138,000	—
Asbestos	128,000	20,000
Gypsum	108,000	30,000
Manganese ore	5,000	262,000
Antimony	Not av.	4,018,000
Tungsten	„ „	731,000
Bismuth	„ „	400,000
Arsenic	„ „	222.000
Salt	Insign.	1,380.000
Pyrite	Not av.	20,000
Alum	„ „	450,000
Fluorspar	„ „	1,000
Many others	Figures—not available	
Total	181,500,000	48,000,000

The rapid pace of ever-growing consumption of oil products and of iron and steel, tells us that once China settles to a peaceful course of life, it will buy annually foreign mineral products at least for G. $200,000,000.

The absence of sufficient and well developed ways of communication, the lack of general knowledge of modern methods of mining, a limited number of mining experts and skilled mining labor, and—what is the most important—the scarcity of capital and reluctance of foreign investments, all this now-a-days is the greatest impediment to a normal development of mining in China.

As regards China's mining industry, it is rather difficult to find reliable summary figure of the capital invested in it, It is known, for instance, from official statistics for 1925, that something like Mex. $100,000,000 are invested in the modern coal mines of China, of which amount 20 per cent is British capital and 30 per cent Japanese, The later percentage undoubtedly is a very diminished one, being the expression of the formal state of things. In the reality, the Japanese participation in the Chinese modern mining industry in a few cases only is in a direct form. In a large number of Chinese mines Japanese capital is at work on the strength of private commercial agreements with the official Chinese owners, and so disguised it escapes official registration.

There is almost no other foreign capital in the metallurgical industry of China but Japanese, and the most typical example of such disguisement is the case of *The Hanyehping Co*, which is everywhere registered as the largest, purely Chinese, metallurgical concern. This company is an amalgamation of the Hanyang Iron-Works, the Tayeh Iron-Mines and Iron-Works and the Pinghsiang Collieries, representing the most important metallurgical combine in the Yangtze valley. How great is the Japanese control of that important metallurgical combination, may be easily seen from the fact that, while the assets of the Company were estimated, in 1924, to be worth over Mex. $.52,000,000, the Company contracted between 1903 and 1924 no fewer than 22 Japanese loans which amounted in total to over Yen 57,000,000.

More or less exact statistical data on the Japanese investments is obtainable with regard to South Manchuria. According to the Japanese official statistics, the total Japanese mining investments amounted there in 1925 up to Yen 128,422,000, and only something about Yen 12,000,000 fall to all the other Chinese and foreign mining investments.

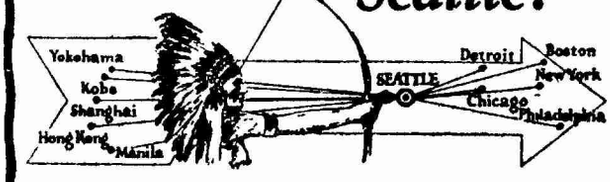
The other foreign investments in China's mining industry are insignificant, and are represented, principally, by Belgian, French and German capital.

According to the Japanese estimate, there is invested in South Manchuria in the Japanese and Chinese mining industry not less than Yen 140,000,000—Yen 150,000,000, which capital yields an output of about Yen 90,000,000. We have no similar details for the other parts of China, but we may safely say that in China the ration between invested capital and return is less favorable than in South Manchuria, where the most part of mines is operated on modern lines. Still, if we allow ourselves to apply the same proportion to the whole of China, we may conclude that in the entire Chinese mining industry, modern and native, *not less than Gold $. 600,000,000*, of which amount hardly G. $. 100,000,000 are represented by foreign capital, Japanese included.

It must be added that practically all British investments date from the time before 1914 when a law came about mixed foreign-Chinese companies, and since that time no new investments were made by the British. American capital is almost entirely absent in China's mining industry, if we overlook the investments of a few millions in the research and prospecting for petroleum in Shensi and tin in Yunnan.

Shanghai, December 5th, 1928.

Mr. Exporter: Are you enjoying these Shipping Advantages *via* Seattle?



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DIRECTIONS: Rub well into the affected part, 2 or 3 times a day and then wrap with flannel or warm clothing.

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47-213

CUSTOMS NOTIFICATION.

江海關監督陳
爲
副總稅務司兼江海關稅務司梅
布告事本年十二月十一日奉
財政部關務署第二四六五號令開查
中華民國海關進口稅稅則業經國民
政府公布並定自十八年二月一日施
行除將稅則正本隨文附發外仰即布
告中外商民一體知悉等因奉此合亟
布告中外商民人等一體知悉此布
中華民國十七年十二月十三日
陳其采
梅樂和

The public is hereby notified that instructions have been received from the Board of Finance to the effect that the New Customs Import Tariff has been promulgated by the Nationalist Government and will be put into force on the 1st of February 1929.

Ch'en Chi-tsai
Superintendent of Customs.

F. W. Maze.
Deputy Inspector General of Customs and Commissioner of Customs.

Custom House,
Shanghai, 15th December, 1928.

Men and Events

Dr. J. C. Ferguson arrived in Shanghai from Peiping during the week.

E. Kann delivered a lecture on "Gold in China" before the Royal Asiatic Society, Shanghai, December 20.

The Columbia Country Club, Shanghai, held a Children's Christmas party Friday afternoon, December 21.

Mr. and Mrs. George A. Johnson departed from Shanghai during the week to spend their Christmas holidays at Baguio Philippine Islands.

Judge Milton D. Purdy of the U. S. Court for China will depart end of this month for a two months tour of South China, the Philippines and Saigon.

Wang Pei-chun, Minister of Communications, who recently tendered his resignation, has been ordered by Gen. Chiang Kai-shek to remain in office.

Hsu Shih-ying, former Premier, who is now Director-General of the National Famine Relief Commission, was a visitor to Shanghai during the week.

Rev. E. W. Luccock will preach on "The Deeper Meaning of Christmas" at the Community Church, Shanghai, Sunday morning, December 23, at 11 o'clock.

Tai Chi-tao, chairman of the Board of Examinations, during a recent visit to Shanghai stated that he expects Mrs. Sun Yat-sen to return to China soon.

Mr. and Mrs. Stanley King of Boston were in Shanghai for two days last week on a trip around the world. Mr. King is one of the trustees of Amherst College.

The building of the *Manila Times*, the oldest English language news paper in the Philippine Islands, was destroyed by fire early on the morning of December 12.

T. M. Rodlun, mail circulation director of the *United States Daily*, Washington, D. C., accompanied by Mrs. Rodlun, was in Shanghai last week on a tour of the Orient.

Dr. Amos Wilder, former U. S. Consul General at Shanghai, is at Present a resident of New Haven, Connecticut, and a contributing editor to the *Journal-Courier* of that city.

H. Y. Moh, well-known cotton mill-owner of Shanghai and Chengchow, who has been appointed Vice-Minister of Industry, Commerce & Labor, proceeded to Nanking during the week.

Dr. Chang Fang a graduate of the University of Paris and a specialist in the study of ancient history, addressed the faculty and students of the Chih Tsz University, Kiangwan Road, December 17.

The China Society of America held its fourteenth annual dinner at the Plaza, New York city, November 9. Addresses were made by Sao-ke Alfred Sze, Dr. C. C. Wu, Thomas W. Lamont, and Y. C. J. Yen.

Tsui Tung-yok, a well-known Cantonese scholar, passed through Shanghai during the week on his way from Canton to the United States where he will assume the editorship of the *Chinese Daily News* of San Francisco.

The students of Chih-Tze University of Shanghai have issued a very creditable Annual for 1928. It is a handsomely printed volume of about 200 pages, profusely illustrated. It has a striking cover in blue and gold.

Mrs. Margaret Proctor Smith, lecturer and writer, who has been traveling in China for the past two years, departed last week for her home in Louisville, Kentucky. For the past year Mrs. Smith has resided in Shanghai.

The annual meeting of the members of the Columbia Country Club is announced to be held at the Club House, 301 Great Western Road, on Friday, January 18, 1929, at 6 p.m., at which an election will be held for a board of governors, officers and a balloting committee.

The Fourth Regiment Church will hold its Christmas service at the Embassy Theater, 126 Bubbling Well road, Shanghai, Sunday, December 23, at 10 a.m. A male quartette will sing an old-time Christmas carol. At the close of the service a moving picture will be taken of the people as they leave the theater.

The Franciscan Press, which had its temporary headquarters in Boone road in Shanghai, until several months ago, has now been established at Wuchang, in Hupeh province. It is equipped with a linotype and other modern printing machinery. It publishes monthly a church magazine known as *Franciscans in China*.

W. M. Peach of the Pressed Steel Car Company of Chicago arrived in Shanghai this week and plans to make his headquarters here in future. Mr. Peach was previously representative of the Pressed Steel Car Company in China but has been connected with the head office in the United States for the past three years.

The technical committee of the Yangstze River Commission were hosts at a luncheon held at the Majestic hotel, Shanghai, December 14, in honor of the president of the Commission, Li Chung-kung, and to welcome two new members, Kung Shing-yung and H. S. Sung. Dr. Chatley, engineer of the Whangpoo Conservancy Board, made the principal speech.

The Nanchang-Lienhwahsien section of the Kiangsi-Kwangtung inter-provincial highway was opened to traffic December 12. General Chu Pei-teh, Chairman of the Kiangsi Provincial Government, officiated at the inaugural ceremony which took place at Nanchang before a large gathering of Party and Government officials as well as representatives from various local public organizations.

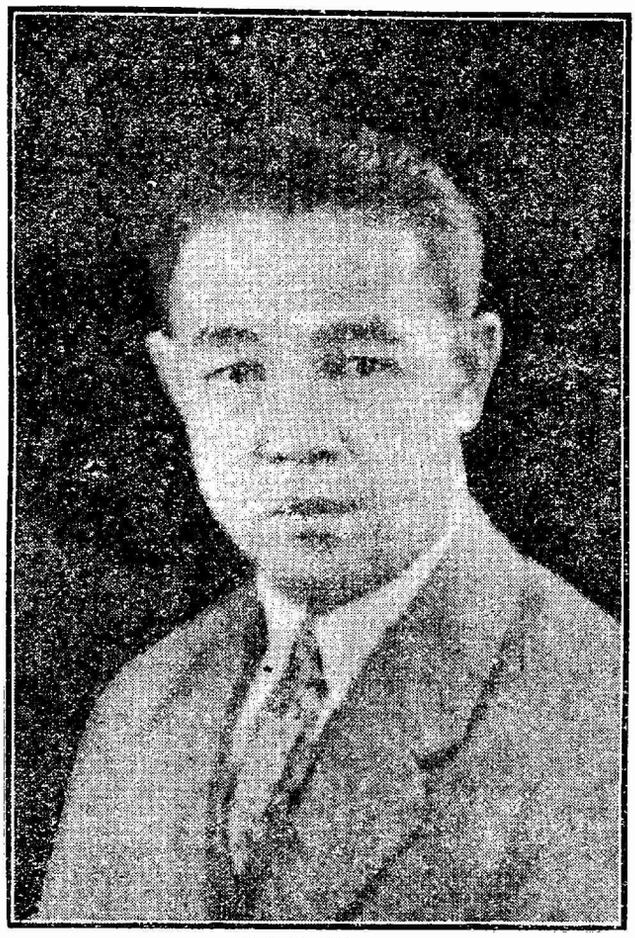
Great Britain and China Sign New Tariff Treaty

A treaty tantamount to *de jure* recognition of the Nationalist government was signed at Nanking December 20 by Sir Miles Lampson, British Minister, and Dr. C. T. Wang. Britain recognizes China's right to complete tariff autonomy. The text of the new treaty will be made public later.

Likin to be Abolished in Five Provinces Within Six Months

At a recent meeting of representatives from the provincial finance bureaus of the provinces of Kiangsu, Chekiang, Anhwei, Fukien and Kiangsi, called by T. V. Soong, Minister of Finance, a decision was reached that special deputy be appointed to take direct charge of all likin in each of the provinces. Among the other decisions reached was that likin is to be abolished within six months in the above-mentioned five provinces.

Who's Who in China



Jick G. Wong

王金戚学龍之

(Wang Chin-chih)

Mr. Jick G. Wong, one of the best known among Chinese engineers, was born in Taishan, Kwangtung, in 1888. He studied civil engineering at the University of Michigan, from which he graduated in 1911 with the degree of Civil Engineer. Upon returning to China his first post was that of assistant chief surveyor of the Canton Public Works, and in 1913 was appointed senior assistant engineer of the Szechuen-Hankow Railway. Mr. Wong was connected with the Szechuen-Hankow Railway for more than nine years, having served under all the different American chief engineers. At the closing down of the construction work Mr. Wong was invited to join the Chihli River Commission where he remained for five months as office engineer, then resigning to accept the post of district engineer of the Peking-Suiyuan Railway. When the Shantung railway was to be taken back from the Japanese, Mr. Wong was appointed a member of the Valuation Commission and helped in the taking back of said railway. Upon completion of his work for the Shantung railway Mr. Wong was called to the Ministry of Communications to assist in the work of the standardization committee on technics. Shortly afterwards, Mr. Wong was asked to rejoin the Shantung railway, now known as the Kiaochow-Tsinan railway where he remained for the following five years as senior engineer.

In 1927 Mr. Wong left the railway and formed a partnership with Theodore Boehnert of Tsingtao as a firm of civil engineers and architects. During the past year Messrs. Wong and Boehnert were architects for many prominent buildings at Tsingtao. When the new Ministry of Railways was formed Mr. Wong was invited to join and assist the Ministry in its program of reconstruction. He was appointed senior technical expert, which position he holds to-day.

Throughout his busy engineering career Mr. Wong has found time to contribute many articles of a technical nature for various publications.

Mr. Wong is a Director of the Association of Chinese and American Engineers and is a well known figure in the cosmopolitan life of Tsingtao, being a Vice-President of the Tsingtao Lions Club and a Member of the General Committee of the Tsingtao International Club.

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In New York: The Equitable Trust Company of New York, The Chase National Bank of the City of New York.

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In Austria: Oesterreichische Credit Anstalt fur Handel und Gewerbe.

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India	Australia	Jugoslavia

47-215

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Nanking, Dec. 13.—Four hundred anti-Japanese agitators throng the front of the official residence of Dr. C. T. Wang and force their way into the premises, assault members of the staff and break furniture. Gen. Chiang Kai-shek orders guards for Japanese Consulate, Ministry of Foreign Affairs and other buildings.

Nanking, Dec. 15.—Mr. Tokonami in conversation with Feng Yu-hsiang states that he approached Chinese questions with sympathy and understanding.

Shanghai, Dec. 14.—Mr. Tokonami is entertained by Chinese Chamber of Commerce.

Nanking, Dec. 14.—Chiang Kai-shek and Feng Yu-hsiang address meeting of State Council and suggest counter-measures against demonstrators such as recently attacked Dr. C. T. Wang's residence.

Peiping, Dec. 15.—Police decide to offer rewards for detection of Communists who are suspected of being back of recent outrages committed by students of Peiping University.

Tientsin Dec. 15.—Residence of Tsao-Kun, ex-President of China, in British Concession attacked by five armed robbers, who took away $10,000 in cash.

Nanking, Dec. 15.—British Minister Lampson and Dr. C. T. Wang reported to have reached agreement on treaty negotiations.

Nanking, Dec. 17.—Chiang Kai-shek, referring to recent student outrages, says that even though the students acted from patriotisn, their actions were of a barbarous nature and in violation of national law.

Peiping, Dec. 18.—Anti-Japanese society passes resolutions to strengthen boycott.

Peiping, Dec. 18.—Fengtien authorities refuse prompt return of Peiping-Mukden rolling stock pending settlement of political problems.

Peiping, Dec. 17.—Chiang Kai-shek, Feng Yu-hsiang and Yen Hsi-shan reported to have drawn up army disbandment scheme for General Disarmament Conference to be held shortly in Nanking, to which Li Chung-jen and Li Chi-sen are to be invited.

Tientsin, Dec. 17.—National products bank to be established with capital of $20,000,000, shares to be held by National government and Hopei province.

Peiping, Dec. 18.—Jehol question reported to be settled on terms that Jehol is to remain in Fengtien Army sphere, but Gen. Tang Yu-lin is to be appointed chairman of committee to reform the administration.

Peiping, Dec. 19.—Advices from Chungking indicate that the situation in Szechuen is so strained that hostilities are bound to break out between Gen. Yang Sen on one side and Gens. Liu Hsiang and Liu Wen-hui on the other.

Peiping, Dec. 19.—Fengtien troops which have been stationed inside the Great Wall are being successively withdrawn since the beginning of this month.

New Customs Import Tariff Officially Announced

An official Customs Notification, dated Shanghai, December 15 gave notice that instructions had been received from the Board of Finance to the effect that the new customs import tariff had been promulgated by the National Government and would be put into force February 1 next. The Notification was signed by Chen Shi-tsai, Superintendent of Customs, and F. W. Maze, Deputy-Inspector General of Customs and Commissioner of Customs.

New Railway Project in Honan Province

A scheme for the construction of a light railway connecting Nin Yuan, on the left bank of the Yellow River above Kaifeng, with Kaifeng, together with adetailed plan has been submitted jointly to the China Famine Relief Society and the Honan Provincial Government by the River Conservancy Bureau. It is hoped that the construction of the proposed railway will give employment to a large number of famine sufferers in Northern Honan.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuo minchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, December 12.—General Niu, chairman of Kiangsu provisional government, plans inauguration of commercial air services.—Wu-Han C. P. C. decides to appropriate revenues from Peiping-Hankow and Canton-Hankow railways for building of model village at Hankow.—News is received at Nanking that Gen. Chang Hsueh-liang is convening a conference of highest military and civil authorities in Manchuria to be held December 15 to consider important administrative questions.—Fourth group army to erect radio broadcasting station at Hankow.—Memorial service is held at Canton to commemorate deaths resulting a year ago during Communist uprising.—Chang Chi appeals for postponement of abolition of various C.P.C. divisions until the matter can be dealt with at the forthcoming Kuomintang Congress announced for March next.—Chinese students who tried to hold lantern procession at Tsingtao to commemorate sixth anniversary of retrocession of Tsingtao forcibly stopped by Japanese troops.—Executive Yuan holds sixth meeting at Nanking.—Gen. Yen Hsi-shan, commander of 3rd Group Army, member of State Council and concurrently Minister of Interior, arrives at Nanking with family and is greeted with enthusiastic cheers by immense gathering of party and government officials.—Sun Fo directs administration Sunning railway to be handed over to directors elected at recent shareholders meeting.—Dr. C. T. Wang and Portuguese Minister Bianchi confer at Nanking on question of tariff autonomy and abolition of extraterritoriality.

Thursday, December 13—British Chamber of Commerce and China Association give dinner to Dr. C. T. Wang, T. V. Soong and Dr. H. H. Kung at Shanghai Club.—Feng Yu-hsiang, Minister of War, relinquishes old post of chairman of Honan provincial government.—Aviation service between Shanghai and Canton planned by Yuan Chung-tu.—Street cleaning contest organized by special Shanghai municipality.—Cargoes on China Merchants' boats to be examined by military and police so as to detect contraband.—Peiping C. P.C. wires Nanking to settle Jehol question.—Huai river conservancy board organized.—C. P. C. holds 167th meeting at Nanking.—Kiangsu Department of Agriculture plans to open silk cocoon testing house at Wusih and experimental station at Yangchow.—State Council Mandate prohibits local governments from contracting loans.

Friday, December 14.—Chang Hsueh-liang divides Manchuria into seven military districts.—Old British Consulate at Wuchow to be returned to Kwangsi provincial government following negotiations between Chu Chao-hsin and British Consul General at Canton.—Mayor Ho of Peiping in proclamation forbids declaring of strikes.—National Military Reorganization and Disbandment Conference shortly to be convened at Nanking will take up problems of distribution of troops and gunboats.—T. V. Soong denies recognition of Nishihara loans or making any arrangements for their repayment.— Postal rate on bulk transportation of newspapers to be reduced.—Feng Yu-hsiang speaks on "Preparedness" at Central radio broadcasting station.—C. E. C. standing committee holds 187th meeting.—New treaty is concluded between Denmark and China.—Gen. Yen Hsi-shan installed at Nanking as member of State Council.—Mandate at Nanking honors Chang Hui-chang, director of aviation department.—Chang Hsueh-liang reports that Japan intends to commence construction of Ki-Hui railway, relying on arrangements made during Tuan Chi-jui regime.—Anti-Japanese demonstration at Nanking embarrasses Government, among places attacked being Dr. C. T. Wang's residence.

Saturday, December 15.—To encourage adoption of solar calendar, Central Party headquarters formulate elbaborate celebration of New Year.—*New York Tribune* in editorial states that China has full sympathy of America in her efforts to draft her own tariff.—Plans for reorganization of fourth group army are completed.—Honan provincial government instructs magistrates to invoke drastic measures against those who cultivate poppies.—General Chamber of Commerce of Shanghai and 15 other public bodies petition for thorough troop disbandment and military reorganization.—State Council holds 11th meeting at Nanking, among resolutions approved being arrangements for conveying remains of the late Dr. Sun Yat-sen from Peiping to Nanking next March.

Sunday and Monday, December 16 and 17.—Dr. C. T. Wang receives telegram from American Minister MacMuary stating the U. S. Consulate at Nanking will be opened at once.—British Minister Lampson and Dr. C. T. Wang resume treaty negotiations.—Sino-American Claims Commission meets at Nanking.—Seaplane "Pearl River" leaves Shanghai for Nanking.—Ministry of Railways again orders Fengtien authorities to return railway rolling stock.—Gen. Chang Hsueh-liang in telegram to State Council notifies release of Kuomintang members arrested by the late Chang Tso-ling—Southeastern provinces internal affairs committee assembles at Nanking.—Legislative Yuan holds second meeting at Nanking.—Translation issued of regulations governing the organization of the Third National Congress of the Kuomintang passed at recent meeting of a standing committee of C. E. C.—Executive Yuan hereafter to have jurisdiction of provincial and special municipal governments—Gendarmerie and Public Safety Bureau at Nanking cooperate to search suspicious characters.—Chinese Factories Association to establish night schools for training of mechanics.—Wu Hoh-lin of the Mongolian delegation at Nanking during a dinner to press representatives states that Mongolia will never tolerate encroachment by any foreign power.—A "tariff autonomy" week to celebrate enforcement of tariff autonomy to be held from February 1.—

Tuesday, December 18.—Chang Ting-fan, mayor of Greater Shanghai, again tenders resignation.—Plan for issuing loan formulated by T. V. Soong discussed at to-day's meeting of Executive Yuan.—French Indo-China having abolished special import tariff rates on Chinese goods, Saigon Chinese Chamber urges similar provisions in new Chino-French treaty.—Land tax in Kiangsu province to be increased 5 per cent.—Chao Tai-wen presides at first meeting of internal affairs conference of five south-eastern provinces at Nanking.—Ministry of Finance warns salt revenue offices against imposition of extra legal levies.—Chiang Kai-shek at State Council severely condemns participators in recent riot at Dr C. T. Wang's residence.—Appointment of C. J. Spiker as American Consul at Nanking acknowledged by Nanking government.—10 teachers and 115 students in Hankow schools voluntarily withdraw from membership in Chinese Communist party.—Wang Ching-chi Chinese member of international opium advisory committee, requests that copies of national opium-suppression law together with reports on opium dealing activities of foreigners in China be sent to him.—Mukden message states that at recent meeting of civil and military authorities decision was reached to hoist National flag January 1 next.—Overseas Chinese subscribe a million dollars to proposed Domestic Industrial Bank.

New York Tribune Favors Tariff Autonomy

The New York *Tribune*, in a recent editorial on the promulgation of the new Chinese Customs tariff, quoted by a *Kuo Min* news agency telegram from New York, declares that "China has the full sympathy of the American government and people in her efforts to establish the rights to draft her own tariff. If any Power should show stubborn unwillingness to accept her tariff, China will be justified in acting unilaterally, and the public opinion of the world will support China," the *Tribune* adds.—

AMERICAN CONSULATE AT NANKING RESUMES OPERATIONS

(*Continued from page 156*)

During the intervening months that the Consulate at Nanking has been closed, the Nanking business was handled through the Consulate General at Shanghai, by Clarence J. Spiker, American Consul. Mr. Spiker took a trip to Nanking during the week and John H. Paxton, American Vice-Consul, has proceeded to Nanking to remain there permanently. Pending the installation of a heating system, the Consular officials are occupying temporary quarters nearby, but the former Consular building will be reoccupied in the near future. The office furniture for the use of the Consular staff at Nanking was shipped up from Shanghai last week. This is all supplied by the American government, and one of the matters which the committee which is assessing the damages suffered by Americans at Nanking will have to consider is whether the Chinese government will pay for this furniture.

E. B. Price was recently appointed American Consul at Nanking, and he is expected to take up his duties at Nanking next week.

In connection with this matter of the American consulate at Nanking, one element that the public generally has not been aware of it is that the building itself is the property of the Kiangsu Provincial Government, the American Consulate only occupying it as lessors. Previous to the Nanking incident the building was not equipped with modern heating and sanitary systems but advantage has been taken of the occasion to install both of these. It is stated that the Kiangsu Provincial Government has expended about Tls. 20,000 on modernizing the premises.

The Corridors of Time, Vol. V.

THE STEPPE & THE SOWN

By Harold Peake

&

Herbert John Fleure

FROM THE PREFACE: This Volume deals with the first of such raids that took place on a large scale, destroying as it did the Old Kingdom in Egypt, and bringing to an end by a more gradual process the rule of the city states of Sumer. That raids, all of great magnitude, should have occurred almost simultaneously in many parts of the Near East, has led some writers to believe that the whole series were occasioned by a period of prolonged drought, leading to a diminished grass supply in the steppes and deserts.

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OXFORD UNIVERSITY PRESS

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44 Peking Road, Shanghai.

In the United States Court for China

MORRIS EDWARD EASON, Plaintiff.
vs
HILDA MAY EASON, Defendant.

Cause No. 3129
Civil No. 1344
ORDER.
Filed at Shanghai, China.
26 Nov. 1928
L. T. Kenake
Assistant Clerk.

The object of this suit is an action for divorce

WHEREAS plaintiff herein, by his attorney, has this twenty-sixth day of November 1928 made application for the substitution of publication for personal service of summons upon defendant herein; and

WHEREAS it appears from the files of this case that on the 26th day of November 1928, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 26th day of November 1928, MORRIS EDWARD EASON, the plaintiff herein, filed an affidavit to the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of the Court during the last six months previous to the 26th day of November 1928,

NOW, THEREFORE, it is this 26th day of November 1928 ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the fifteenth day of December 1928, the day of the last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT,

MILTON D. PURDY
JUDGE

New Books of Interest in the Far East

Experiments in Democracy in Europe

New Governments of Eastern Europe, by Malbone W. Graham, Jr. Henry Holt and Company, New York, 1927. 581 pages of text, with copious index, 271 pages of Select Documents, 3 maps and 5 party charts.

This book endeavors to portray the processes of governmental evolution which have taken place in the countries of Eastern Europe since the war. It is arranged in an efficient manner. The chapters deal with the various countries in turn, followed by a resume of conditions as a whole; the party charts are a new departure and should be most useful to those interested in such matters. They save the text much tiresome detail and condense statements given. Perhaps the weakest part of the book is that taken by the maps. They are not up to the standard of the rest of the work, and only the one of the Balticum is of use. One needs a microscope for the other two.

The Select Documents give a much-to-be desired background for the careful work of the author, and show his wisdom in combining documentary fact with the text of historical development. The index is worthy the name. It is difficult to find out much about some men of recent importance in these "new" countries and the author has met this need by foot-notes giving brief sketches of theis lives.

The larger section of the book has naturally been give to Russia; Poland comes next as to amount of text. Finland, Esthonia, Latvia and Lithuania are treated in approximately the same amount of space. It is impossible to discuss the author's accounts of government changes in each country but we may look at a few key paragraphs.

Russia

Regarding Russia—"The monarchists, for all their occasional clamor, are the remnants of a cause irretrievably lost, The ideology of absolutism, of autocracy, even of constitutional monarchy, has been too severely shattered by the communist regime ever to permit the idea of restoration to become a reality. For Hungary, after a few weeks of sovietism, black counter-revolution was still a possibility; for Russia, after years of soviet control, it is definitely excluded. If then, Russia is not to swing further to the Left, nor come back violently to the Right, where is the course of policy to lie?" Apparently in the median zone of compromise, in the path which the soviet commissaries have followed since 1921, in continuous compromise with the *forms* of capitalism and the *spirit* of the agrarian revolution. Moscow must continually capitulate to the demands of the peasant farmers in order to remain—Moscow. Along this line of evolution appears to be the course of the soviet regime until a new class of self-made peasants comes to command authority."

Finland—"Viewed in the ensemble, the post-war history of Finland is illuminating because it illustrates the high degree of political capacity of the Finnish people and demonstrates the extent of national reconstruction along democratic lines that can take place following a violent social and political upheaval. Examined in detail, the political achievements of Finland in the last eight years are remarkable because of their orderliness and rational character. Beginning that period with a most inauspicious outlook, Finland has managed to accomplish very creditable results in consolidating the constitutional structure which had been torn by the rack of both political and social revolution and reaction and in the normal development of the democratic institutions with which her fundamental law has endowed her. In addition, the wide breach between classes which the social revolution left has almost entirely healed. This is manifested by the distinct abandonment of communism, and the regenerating influence of new understandings between social classes in political and economic life makes itself increasingly felt."

Esthonia—"Today, in Esthonia, communism is a voice crying in the wilderness." "Esthonia has proven barren and stony ground for the seed-sowers of Bolshevism. This, then, is the new Baltic democracy. Her institutions have been carefully and discriminatingly chosen and copied from the purest and oldest of the continental democracies, adapting the institutions of the Helvetic Confederation to the needs of an agrarian and sea-faring people. Thereby she has intrenched herself behind the bastions of democracy."

Latvia

Latvia—"For her immediate future Latvia does not need far-reaching constitutional changes; it will take fully a generation to round out the structure which the constitution of 1922 and its predecessors created. It is rather through the devotion of wholehearted interest to the economic restoration of the country, to the building up of an emancipated farming class, to the improvenent of public health and education, and to the working out of a balanced budget amply providing for the social needs of a liberated nation that Latvia will complete, in coming generations, the solid conquest of national self-government and independence for which, in the dark days of war and revolution, she poured forth so lavishly her blood and treasure."

Lithuania—"Lithuania is an independent democratic republic with sovereignty vested in the people. The exercise of government functions is entrusted to the legislative, executive and judicial departments. The principle of local autonomy and of Lithuanian as the state language, the definition of the state flag and coat-of-arms complete the first section of the constitution, devoted to fundamental principles." "All told, the Lithuanian constitution forecasts a benevolent regime of Christian state socialism, super-imposed upon individual initiative and freedom in industry, and individual land tenure in agriculture. The whole bill of rights is devoid of Marxism; it represents a desocialized version of the Weimar constitution, retaining conservative features and eradicating all innovations along economic lines. It clearly reveals the political philosophy of the dominant groups in the constituent assembly which drafted it, as is the case with the bill of rights in any fundamental law."

Poland

The partitions of Poland have long been among the sore spots of European history. The harassed land had much to discourage hopes for re-unification when it was under the stern rule of Russia, Austria and Prussia. Our author says, "In Russian Poland the leaders of Polish nationalist feeling turned slowly to the development of municipal and civic institutions, to cooperation in administrative reforms wherever possible, to the building up of a strong intelligensia and bourgeoise as the stabilizing element in any constructive move towards eventual liberation. Their only reward was to suffer the intensest processes of russification, the procription of their language, the drafting of their sons to serve in the outmost reaches of the empire. Down to the revolution of 1905 the Polish nationalists scarcely succeeded in ameliorating their condition, and were driven in sheer desperation to the expedient of intriguing with other disaffected factions for an eventual overthrow of the tyrannical regime of the Romanovs." Under Austrian dominion the Poles fared much better than did their countrymen in Russia. When, in 1866, Austria was overwhelmingly defeated by Prussia, and was obliged forthwith to come to terms with Hungary, the Poles from Galicia stepped in and demanded both home rule and constitutional government at Vienna. The effect was to introduce an independent and autonomous diet for Galicia, in which the Poles constituted a distinct majority. . . . For thirty years, with some interruptions, the Poles were the mainstay of the Habsburgs in the Reichsrat, and, when other elements for a majority were lacking, they could almost invariably be brought to the support of the existing government by the grant of concessions in regard to Galicia. It was by this distinctly Austrophil policy that the Polish representatives in the Reichsrat won from Vienna reluctant concessions to their national program." Mr. Graham quotes an American journalist who says, "When the Russian Poles were holding secret meetings in the villages, and in fiery speeches denouncing the Russian authorities, the Prussian Poles were founding land banks in the forms of German law. They have organized the economic life, first of the peasant, then of the tradesman, and, lastly, of the artizan, with an enterprise and a patience incredible to any one who has studied the Polish character only in Galicia and the kingdom. They have learned from the Prussian oppressor the virtue of discipline, the commonest virtues in the Prussian and the rarest in the Pole. They have evolved a state within a state, a habitation for their Slavonic soul *in populo peregrino*, for the maintenance and continuance of which they must every hour tremble." To this statement Mr. Graham appends his conclusion; "This epitomizes the skilfully directed activity of the Prussian Poles in the organization of their economic life during the period of germanization." Now that these three elements have again combined into a unity our author concludes—"If Poland is to maintain her position as an independent state and achieve her rightful place in the European community of nations she must permanently abandon the annexationist policies of the early days of her renaissance and come to an attitude of conciliation and accommodation on all fronts. Such policies and such readjustments must, of course, be reciprocal; they must not involve merely unilateral sacrifice, but they are fundamental, they are essential to general European well-being and, sooner or later, must come to fruition. And only on the achieving of these mutual guarantees of security will Poland have completed her reentry into the life of Europe and of the Society of Nations."

"From Finland to Poland, the Baltic countries are essentially borderlands between western civilization and that of Russia. Politically they have borrowed their ideas and machinery of government and administration from the West,

economically two centuries of Russian imperial domination have made them Russia's outlets to the sea. The Baltic states are, therefore, by geographical foreordination and by the tortuous turns in their history, presdestined to be the mediators between the West and the East, not only in the purveying and conveying of economic goods but also in the effort to build up a political understanding between East and West. Since the end of the World War they have become the 'frontiers of freedom', in the sense in which bourgeois constitutional liberty has been conceived of in the past, and the outposts of democratic national self-government in a region which had theretofore known little else than the merciless centralization of arbitrary authority traditionally associated with an autocratic system. Security, therefore, is, for the Baltic states, something more than a matter of mere military concern or of economic capacity for subsistence. It is as much a question of the security of their institutions as of their territorial integrity." G. B. S.

SOME RECENT MANIFESTIATIONS OF KUOMINTANG POLITICS

(*Continued from page 174*)

late Leader. We must no longer allow ourselves to insist upon our own views in regard to various proposals. As speech is prompted by thought and conduct, guided by law, we must first have the right comprehension of principles before we can possess a correct view, and unless our laws are good, our administration cannot be efficient. The foremost duty of the Third National Congress therefore is to clarify the principles of the Party in order that our members can have a correct view.

"With this end in view, the Central Executive Committee have prepared the following ten propositions for the careful deliberation of our comrades at the forthcoming Congress, and it is hoped that all will carefully and quietly consider the people during this period of Political Tutelage in establishing a firm foundation for the nation.

"The ten propositions are as follows:

"(1) Compilation of the rules and regulations of the Party issued in the past in accordance with the instructions of our late Leader, so that the reactionary principles can be eliminated in order to render possible a systematic presentation of the principles of the Party for the observance of all members in the efforts to achieve solidarity in the Party.

"(2) Amendment of the General Principles of Political Tutelage as promulgated and adopted at the 172nd meeting of the Standing Committee of the Central Executive Committee, in order that the demarcation of the political power and the administrative power of the Party and the Government can be determined.

"(3) Determination of the duties and functions of the various grades of Kuomintang Headquarters so that all organs of the Party will function efficiently during the Period of Political Tutelage.

"(4) Determination of the rights of the people and the principle governing the exercise thereof, which will serve as the basis of legislation as well as the standard for the administration of justice during the Period of Political Tutelage.

"(5) Determination of a proper procedure for the carrying out of general principles of the political administration.

"(6) Determination of an educational policy and the principles governing our educational system.

"(7) Determination of a policy of national defense and of a foreign policy.

"(8) Determination of a policy of economic reconstruction.

"(9) Determination of the general principles concerning the work of various Party Headquarters as well as the organization thereof.

"(10) Consideration of the resolutions submitted by the previous Plenary Session of the Central Executive and Supervisory Committees.

"We believe the solution of the above ten problems, unrelated as they are to one another, must be strictly based upon the 'Three People's Principles'. Moreover, shouldering as we do the grave reponsibility of building up a new nation, we must make sure that the solutions will not give rise to conflicts in our program of national reconstruction but will lead to peace and harmony. In view of the tremendous task confronting us, we must be careful and thorough-going and not resort to half-hearted attempts. It is hoped that our comrades, imbued as they are with the spirit of our late Leader, will take pains to study carefully the above ten problems in order to lay a new foundation for a new nation."

(Seal) CENTRAL EXECUTIVE COMMITTEE
OF THE KUOMINTANG OF CHINA.

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price Dec. 20	Approx. Yield to Maturity %
The National City Bank of New York	20	Stock		1310	1.53
Argentine Government	6	Oct.	1, 1960	100	6.00
Australia	4½	May	1, 1956	88⅛	5.33
U. S. of Brazil	6½	Oct.	15, 1957	94	6.98
Kingdom of Belgium	7	Nov.	1, 1967	106	6.54
City of Budapest	6	June	1, 1962	83½	7.35
Canadian Pacific Railway	4	Perpetual Stk.		86⅛	4.62
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan.	1, 2000	77½	6.47
Chicago Rapid Transit Co.	6	July	1, 1953	91	6.76
Chile Copper Co. Debs.	5	Jan.	1, 1947	95⅛	5.39
Chile Government (Railway)	6	Feb.	1, 1961	93⅛	6.50
Cuba Northern Railway	5½	June	1, 1942	94	6.16
Republic of Costa Rica	7	Sep.	1, 1949	102	7.31
Chile Government	6	Sep.	1, 1961	93⅛	6.48
Cuban Dominican Sugar Co.	7½	Nov.	1, 1944	98	7.72
Kingdom of Denmark	6	Jan.	1, 1942	104⅜	5.48
Dutch East Dadies	5½	Nov.	1, 1953	101	5.43
Republic of Finland	5½	Feb.	1, 1958	90⅛	6.21
French Government	7	Dec.	1, 1949	107¼	6.37
German Government	7	Oct.	15, 1949	106¼	6.41
German Central Bank... for Agriculture	6	Oct.	15, 1960	88	6.94
German Central Bank... for Agriculture	6	Apr.	15, 1938	90½	7.41
German General Electric Co.	6	May	1, 1948	93⅜	6.57
Greek Government	6	Feb.	1, 1968	86	7.06
Ilseder Steel Corporation	7	Apr.	1, 1946	103(Bid)	6 71
Kingdom of Italy	7	Dec.	1, 1951	97⅛	7.25
Japanese Government	6½	Feb.	1, 1954	100½	6.46
State of Minas Geraes.. (Brazil)	6	Mar.	1, 1958	94	6.98
Mortgage Bank of Chile	6	Apr.	30, 1961	92	6.60
Netherland	6	Apr.	1, 1954	100⅛	5.98
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov.	1, 1957	92⅛	6.05
Kingdom of Norway	6	Oct.	15, 1952	102¼	5.81
Northern Ohio Power & Light Co.	6½	Jan.	1, 1941	99	6.62
Republic of Peru	6	Dec.	1, 1960	91⅛	6.66
Paris, Lyons & Med Rwy.	6	Aug.	15, 1958	100	6.00
Republic of Panama	5	May	15, 1963	94½	5.87
State of Rio Grande Do Sul (Brazil)	6	June	1, 1968	92⅛	6.55
Rhine Westphalia Elec. Power Corp.	6	Aug.	1, 1953	93⅛	6.56
Saxon State Mortgage.. Inst.	6½	Dec.	1, 1946	95	6.99
Saxon Public Works, Inc.	6½	May	1, 1951	94⅛	7.01
Tokyo Electric Light Co.	6	Jun.	15, 1953	90½	6.80
United Kingdom of Gr. Britain	5½	Feb.	1, 1937	104	4.89
City of Vienna	6	Nov.	1, 1952	87¼	7.11
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.		85	7.06
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American Shrs)		85	7.06
Cannon Mills Co.		Common Stock		44⅛	—
General Mills, Inc.	6	Cum. Pfd. Stock.		101	5.94
General Mills, Inc.		Common Stock		83½	—
Hershey Chocolate Corp. Convertible	4	Pfd. Stock		83	4.82
Mohawk Carpet Mills, Inc.		Common Stock		63	—
Pennsylvania-Dixie Cement Corp.	7	Cum. Pfd. Stock.		87	8.05
Victor Talking Maching Co.	7	Cum. Pfd. Stock.		114	6.41
Willys Overland Co.	7	Cum. Pfd. Stock		101	6.93
General Motors Corp. (New)		Common Stock		75⅛	—
City of Antwerp	5	Dec.	1, 1958	94	5.41
Finnish Gtd. Municinal	6⅛	Oct.	1, 1954	98⅛	6.62
ContainerCorpofAmerica	5	June	1, 1943	91	5.93
Firestone Cotton Mills	5	Mar.	1, 1948	93⅛	5.56
Portland Electric Power Co.	6	May	1, 1947	103	5.73
Postal Telegraph and Cable Corp.	5	July	1, 1953	95	5.37

NOTE: The above quotations are subject to confirmation by The National City Company, New York City.

Shanghai Exchange for Week Ending Wednesday, 19 December, 1928

Exchange:—The price of Bar Silver in the London market has fluctuated very slightly since this day last week. Yesterday afternoon the prices were fixed at 26⅛d. for spot and 26⅜d. for two months forward delivery, as against 26 5/16d. and 26 7/16d. respectively seven days ago, while the New York quotation remains unchanged at 57¼ cents oz. The official T/T rate on London is still 2/7d, but banks are sellers at the rate given below.

Offerings of export bills have been less in evidence, as compared with the preceding few weeks, but, on the other hand, there is still a steady demand from merchants for delivery before the inauguration of the proposed new import tariff. The speculative market has been unusually quiet, and the movement in the price of gold bars has been confined to very narrow limits.

Silver advices are not encouraging, but locally the under-tone of the exchange market remains fairly robust, and at the close to-day the following rates for T/T remittances were available, T/T on London 2/7 7/16d, on New York 63⅛, Yens 72 5/16.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls.60,694,000 a decrease of Tls. 786,000
Chinese and Mexican Dollars..... $ 96,790,000 an increase of $ 1,110,000
Estimated value Tls. 130,382,000 as against Tls. 107,465,000 held at this time last year.

	Average rates for Nov.	Thursday. Dec. 13	Friday Dec. 14	Saturday Dec 15	Monday Dec. 17	Tues. Dec. 18	Wed. Dec. 1
Bank's selling rates		*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*
T/T London	2/7 500	2/7	2/7	2/7	2/7	2/7	2/7
D/Dfts ,,	—	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16
4 m/s ,,	—	2/7¼	2/7¼	2/7¼	2/7¼	2/7¼	2/7¼
T/T India	174.080	171¼	171¼	171¼	171¼	171¼	171¼
T/T France	1,630.000	1605	1605	1605	1605	1605	1605
T/T N. Y.	63.625	62 5/8	62 5/8	62 5/8	62 5/8	62 5/8	62 5/8
T/T Demand		62 3/4	62 3/4	62 3/4	62 3/4	62 3/4	62 3/4
T/T Hamburg		262½	262½	262½	262½	262½	262½
T/T H'kong	78.495	78 7/8	78 5/8	78 5/8	78 3/4	78 7/8	78 7/8
T/T Japan	72.960	73⅛	73¼	73¼	73¼	73 11/16	73¼
T/T Batavia	158.250	155½	155½	155½	155½	155 9/16	155½
T/T Straits	89.450	90¼	90¼	90¼	90 5/16	90 11/16	90¼
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.500	2/9	2/9	2/9	2/9	2/9	2/9
4 m/s ,, D/P	—	2/9 7/8	2/9 1/8	2/9 1/8	2/9 1/8	2/9 1/8	2/9 1/8
6 m/s ,, B/L Cred D/A	2/9.812	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16
4 m/s B/F Cred D/A or D/P	1,700.000	1675	1675	1675	1675	1675	1675
4 m/s N.Y.Lcs	66.875	65 7/8	65 7/8	65 7/8	65 7/8	65 7/8	65 7/8
4 m/s ,, Doc.	—	66 3/8	66 3/8	66 3/8	66 3/8	66 3/8	66 3/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Dec. 13	Dec. 14	Dec. 15	Dec. 17	Dec. 18	Dec. 19
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 5/16	26 3/16	26¼	26⅞	26 3/16	26¼
**New York Price of Bar Silver per oz. (Pure)	G. $.57¼	G. $.57	G. $.57⅛	G.$.57⅛	G.$ 57	G. $.57¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 356	Tls. 355 80	Tls. 356 20	Tls. 358 80	Tls. 357 70	Tls. 356 70
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110 90	110 90	110 90	110 90	110 90	110 90
Shanghai Mexican Dollars per $100.	71.9625	71.95	71.95	71.9	71.9	71.9
Native Bank Rate of Interest (Call money)	3%	3%	3%	3½%	3%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.06
Bank of France rate of discount	3½%	New York on London	T/T 485 5/16
London open Market of Dis. 3 m/s	4 7/16%	Bombay on London	T/T 1/6 5/32
,, 4 ,,	4 7/16%	Hongkong on London	T/T 2/0½
,, 6 ,,	4 7/16%	Kobe on London	T/T 1/10 31/32